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No. 6

OFFICERS AMERICAN BANKERS ASSOCIATION, 1913-1914.

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Des Moines, Ia.

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#### BANKING AND CURRENCY LEGISLATION.

HE statement has been made in certain quarters that the bankers of the country are opposed to banking and currency legislation. This statement is not worth refuting. The action taken by bankers' organizations and bankers individually regarding the "Glass" Bill, have been in the nature of serious objections to the Bill and not a desire to impede legislation. The banker, more than any other class of profession or even business interests, realizes the importance of banking and currency legislation, and at as early a date as practicable; but to the banking interests it is not of sufficient importance to want legislation placed on the statute books that will not be workable. The proposed legislation was at variance with all good economic principles and not for the best interests of the country at large. The early action of President Wilson in insisting on Congress taking up the matter of banking and currency legislation was commendable.

In the early stages of the proposition, and while these measures were being considered by the House, there was a strong disposition on the part of the authorities at Washington to ignore the advice of those who knew most about the question-the bankers. In fact, the "Glass" Bill was considered by the Democratic portion of the Committee on Banking and Currency in secret caucus, and caucus of the House Democrats, and all without hearings, so that when the Bill was sent to the Senate, bankers and business men

of the country had not had an opportunity of freely expressing an opinion, and the burden of responsibility was cast on the Senate Committee on Banking and Currency. This Committee wisely decided on extensive hearings in which bankers from all parts of the United States were invited to partake. Business interests, as well as economists, were heard, with the natural result that a division took place in the Senate Committee, whereby three measures were submitted to the Senate-the "Glass" Bill, two bills from the Senate Committee on Banking and Currency (one from the Owen Committee and one from the Republican members of the Committee which included Senator Hitchcock, Democrat). No doubt had the House Committee given hearings when the "Glass" Bill was being considered with the publicity which would necessarily follow, the proposed legislation might have been accomplished before the regular session of Congress.

The Administration, if reports be true, still insists on embodying in the Bill two objectionable fundamental features-Government control and note issue.

The various bills submitted, however, have been very much modified since the original "Glass" Bill was brought out, and it is to be hoped that the Senate, which is a deliberate body, will be able to bring about a compromise measure which might be considered a fairly satisfactory bill for the best interests of all concerned.

Our Currency Commission, representing the American Bankers Association, the State Bankers' Associations of nearly every State in the Union, and the business organizations of the large cities of the country, are entitled to their full share of credit for their activity in impressing the authorities at Washington as to the importance of banking and currency legislation, pointing out the bad features of the original bill and bringing about many desirable modifica-

The necessity of great haste is not apparent. The banking interests of the country are largely working under a law fifty years old. The country is not actually suffering for need of banking and currency legislation, not to the extent that objectionable legislation should be forced through. The crop-moving period has passed, and if the legislators at Washington show, as they have in the past, an earnest desire to give the country, at an early date, a new law, the necessary time which will be required to frame a proper bill will not in the least way affect the present or near future condition of banking and finance or bring about any financial or business disturbance.

#### INSURANCE COMMITTEE.

#### The Committee's Work-The New Fidelity Bond.

THE Insurance Committee of the Association appointed last year made its first report to the Annual Convention in Boston, October 8, 1913.

This report will appear in full in the printed Proceedings of the American Bankers Association for Proceedings of the American Bankers Association for 1913, and contains much information of importance to the members of the Association. Regarding this report, Mr. T. J. Davis, Chairman of the Executive Council, says: "I am highly pleased with the report; it delves into the matter in different directions in a way that I always felt should be done." The Insur-ance Committee recommends a careful reading of this report for full information as to the Committee's work up to that time.

A monthly report of the progress of the Committee will be made through these columns, and from time to time announcements of interest to the membership banks will also appear. The Committee desires to call especial attention this month to the new form of fidelity bond adopted and copyrighted last month. This bond was compiled by the Committee with the assistance of the Association's General Counsel, and its use is urgently recommended. Some eight or ten surety companies, most of them among the largest companies operating in this country, have the largest companies operating in this country, have been licensed to write this form of bond, and whenever it is not furnished by any surety company upon request, this Committee will be glad to furnish the names of the surety companies that have been licensed and are ready to issue the bond.

Among the conditions of this bond that make it

more desirable for the use of the Association's members than any other form now offered are the fol-

-The contract is one of insurance and not First -First.—The contract is one of insurance and not of suretyship. The surety bond business is very young as compared to other forms of insurance. Various laws have been adopted by various States, from time to time, safeguarding the rights of the holders of insurance policies, but such laws have not always included surety bonds, oftentime to the material disadvantage and loss of the holder of the bond. The Association's new bond, by reason of being an insurance contract, comes largely within the insurance laws of the various States, thus giving the holder thereof a material advantage.

Again, the parties to an insurance contract oc-

cupy the same relative relation as the bank and the maker of a note, whereas the parties to a contract of suretyship occupy the same relative position as the bank and the maker and endorsers of a note. In the latter case the surety company enjoys the advantages of the endorsers.

Second.-A simple, effective method of adding

new employees or deducting old employees, or increasing or deducting amounts already covered, is provided with proportionate adjustment of the preIN

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provided with proportionate adjustment of the premium charged.

Third.—Distribution of salvage provides that the bank shall be fully reimbursed before the insurance company receives any part of the salvage.

Fourth.—No statement or application is necessary from the bank in order to obtain the bond. Most of the suits against surety companies that have come to the attention of this Committee have been due to industriant statements made by the applying due to inadvertent statements made by the applying bank in its application for the bond. Lines 40 to 43 of the new bond read: "No preliminary application by the Employer for this bond is necessary. This contract incorporates the entire agreement between Insurer and Employer, and no statement of facts in any application or other outside writing which might be claimed to be the inducement for making this bond shall be allowed in any way to affect its

Fifth.--The bond is continuous in form, requiring no renewal, and may be terminated by the Insurance Company or by the Bank only by notice as set forth therein. These conditions enable the bank to make claim for loss when discovered without regard to when the theft was committed.

The Insurance Committee will gladly reply to any inquiry, elaborate more fully upon the advantages of the bond, or give any other opinion, or advice or statement that may be desired. In fact, inquiries regarding any and all insurance matters are invited and should be directed to B. A. Ruffin, Secretary In-surance Committee, American Bankers Association, surance Committee, A Box 39, Richmond, Va.

#### NEW CIPHER CODE.

T the Spring Meeting of the Executive Council held last May a Cipher Code Committee was appointed consisting of Mr. James M. Donald, A appointed consisting of Mr. James M. Donald, Hanover National Bank, New York City; Mr. John R. Washburn, Continental & Commercial National Bank, Chicago, Ill.; Mr. A. H. Titus, National City Bank, New York City, and Mr. A. C. Andrews, Chase National Bank, New York City, for the purpose of preparing a new cipher code, to be distributed to all members of the Association.

to all members of the Association.

This committee has since held three meetings and it authorized the preparation of a new cipher code, consisting of about 18,000 copies, which will be forwarded to members when completed, in all probability, within the next sixty days. Our members will be notified through the JOURNAL-BUL-ETIN when the Codes are ready for distribution.

The paper used for this code will be of a very high grade, and the book will consist of about 250 pages, bound in flexible texoderm, the total cost of which delivered in the hands of our members is estimated at about \$10,000.

The first Telegraphic Code of the Association was issued in 1905, and the second in 1908, and the latter is still in use. Our extra supply of this edi-

latter is still in use. Our extra supply of this edition, however, became exhausted; hence the necessity of another edition. The Code now under preparity of another edition. will contain many improvements, and,

ration will contain many improvements, and, therefore, will be thoroughly up to date, and should prove most useful to our membership.

While the Code of this Association has been used extensively, and its value highly appreciated by a very large proportion of our membership, it is, nevertheless, a fact that some of the smaller banks of the country frequently telegraph to their correspondents in plain English, as well as to a strange bank, requesting that payments of various sums of money requesting that payments of various sums of money be made. By the use of the Code a member is enabled to have secrecy and safety in the transmission of its telegrams, and through the use of ciphers a considerable sum of money will be saved each year. Moreover, banks do not desire to pay out

year. Moreover, banks do not desire to pay out funds on open telegrams.

We cannot too strongly urge upon all of our members the real importance of making use of our Telegraphic Cipher Code, and we, therefore, trust that those not now using the same will at once see the necessity of doing so, and thus lend their cooperation for the good of all members.

W. G. F.

## "ON TO RICHMOND"

#### NEXT CONVENTION OF THE AMERICAN BANKERS ASSOCIATION IN THAT CITY

THE characteristic heading of this article was familiar to the older generation fifty years ago. Then, the country was divided against itself in a strife in which the North and the South entered with an element of sincerity, courage and patriotism and shared by both Sections. To-day, the strife has been forgotten practically, and the right hand of fellowship is extended by the bankers of the famous city of Richmond to the bankers of the United States, and Southern hospitality will be fully exemplified on the occasion of the Fortieth Annual Convention of the American Bankers Association, which will be held in the city of Richmond in 1914.

will be held in the city of Richmond in 1914.
Richmond once before entertained the American
Bankers Association—in the year 1900, when the
Twenty-sixth Annual Convention was held in that
city. At that time there was an attendance of about
1,500; the membership was 4,500, and is now 14,300.

city. At that time there was an attendance of about 1,500; the membership was 4,500, and is now 14,300. Richmond to-day is one of the live, progressive and important cities of the South. Its growth since the Civil War has been steady and the improvement of the city continuous; beautifully located on the James River, with ample parks, broad avenues and

hotels of that city have turned over to the Local Hotel Committee (comprised of bankers of Richmond) all accommodations available, and all applications for rooms in Richmond during the Convention must be made through this Committee, and all applications will be listed in the order in which they are received by the Committee. This method was pursued at the Boston Convention. The Chairman of the Hotel Committee is Mr. Thomas B. McAdams, Cashier Merchants National Bank, Richmond, Va., to whom all applications should be addressed. The proposed method will insure the proper caring for the largest number of guests and in the fairest manner. In addition to the hotels mentioned above, there are several small hotels which will accommodate those who do not care to be housed in the larger and

The Richmond Committees have not yet been fully named by the bankers of Richmond; the Chairmen of the important Committees have been appointed, and are as follows: The Executive Committee, Colonel J. B. Purcell, First National Bank; the Finance Committee, John M. Miller, Jr., First National Bank; the



HOTEL JEFFERSON

boulevards, Broad Street (the business thoroughfare) being second to none in the United States. Rich in history is the city and country; the first English settlement in the United States was at Jamestown, within easy reaching distance. Richmond is noted for its colonial history and for sounding the notes of freedom before the Revolutionary War and as a strategic and important point in that period. The capital of the Confederacy, with a surrounding country where were fought some of the most important battles of the Civil War, makes it, without question, one of the most interesting cities for the visitor in the United States. It is up to date in its business buildings, office buildings and banks. Its hotel facilities are much better than most cities of its size. There are reactically four new hotels—Murphy's, The Richmond, Rueger's and Stumpf's. These are all first class. The Jefferson, comparatively new, is the pride of Richmond and the pride of the South, and has been selected for headquarters. With its ample lobby space, palm garden, mezzanine gallery, parlors and ballrooms, and spacious committee rooms, it excels as a convention headquarters. While a few blocks from the center of the city, where are located the other hotels mentioned, it is easy of approach by two car lines.

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So as to prevent the duplication of requests for rooms, to insure the largest and most satisfactory handling of the guests who will go to Richmond, the

Hotel Committee, Thomas B. McAdams, Merchants National Bank; the Entertainment Committee, Julien H. Hill, National State and City Bank.

General Secretary Farnsworth was invited to visit Richmond to consult with the above Chairmen representing the Administrative Committee, and to discuss some of the necessary details. Mr. Farnsworth visited Richmond on November 20th, remaining three days.

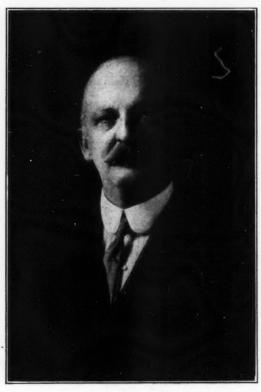
While definite plans have not been made for the entertainment program by Richmond bankers, those who attend this Convention will be given every opportunity for visiting interesting points and enjoying the famous hospitality of Richmond hosts. The business program of the Convention is in the hands of the Administrative Committee, and in conjunction with the Richmond Committee will be so arranged that entertainment and business will not conflict.

The dates for the Convention have not yet been settled. It is extremely desirable that a time be selected when Richmond is at its best as to weather; when comfort can be assured, and also at a time when the hotels can best take care of the large number who attend; and again, with the view, if possible, of selecting a date which will be most acceptable to Southern bankers on account of the crop-moving period. The date suggested by the Richmond Committee is the early part of November.

#### ROBERT E. JAMES.

R OBERT E. JAMES passed from this life to the Beyond at his home in Easton, Pa., November 10, 1913.

Mr. James had been identified and affiliated with the American Bankers Association actively for very many years, and his death came as a great shock to his associates in the Association, bringing with it to those who knew him intimately the greatest sorrow and regret. At the time of his death, he was a member of the Executive Council of the Association and a member of its Law Committee. He was President of the Easton Trust Company, and one of Easton's most widely known and distinguished citizens.



ROBERT E. JAMES.

He had been in poor health for some months and was obliged to undergo a serious operation in August last. While it was generally believed that he was on the road to recovery after leaving the hospital, his most intimate friends in his own city, knowing more fully the seriousness of the operation, expected the worst.

Robert Evan James was born in Upper Mt. Bethel Township, Northampton County, Pa., on August 9, 1848. He was educated as a boy in the township schools and then went to Lewisburg Seminary, where he remained a year. He entered Lafayette College in the class of 1869 and graduated after a course of classical studies with credit to himself and to his mental qualities. While at Lafayette Mr. James was a member of the Franklin Literary Society and there displayed an ability as an orator and debater that subsequently made him famous as a speaker. This faculty, developed in boyhood and in the debating societies of the country schools, then a more prominent feature

than now, made him a power to be reckoned with. As he entered more and more into public life Mr. James became more noted as a speaker and it was always a pleasure to listen to him, his well rounded sentences, giving clear expression to his thought, being delivered in a forceful and pleasing manner. As a lawyer, legislator, a debater on public questions, political speaker and post-prandial orator, Robert E. James was always worthy of attention.

After leaving college Mr. James began the study

After leaving college Mr. James began the study of law, and at the same time taught school as a means of livelihood. His ability as a lawyer and debater, his personal magnetism and forceful character brought him prominently into the politics of Pennsylvania and his own county and city. He held many positions of trust, and was a member of the State Legislature, also filling several important positions in the legal profession, giving some study to financial questions. He was one of the organizers of the Easton Trust Company, and shortly after its organization he was elected President of the Company. He was greatly interested in the growth of Easton and in its advancement. He was prominent in his college fraternity, was a member of the various clubs of Easton and of the Brainerd Union Presbyterian Church. He was also connected with all of the Masonic bodies, where he was much respected and beloved; was also a member of the old Easton Grays.

Colonel James never accepted an official position of any kind or nature without giving that position the greatest consideration and profound thought and activity. If for any reason he felt that he did not have the time at his command, he would absolutely refuse to serve. He was not a man who wanted to be considered as filling a position in an ornamental capacity.

He was President and presided over the Pennsylvania Bankers' Association in 1909-10—a most successful period in the history of that Association. His valuable service to the American Bankers Association extended over very many years. He was serving his second term on the Executive Council and had been a member of many important committees.

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The work of his life in connection with the American Bankers Association was as Chairman of the Committee on the Revision of the Constitution. Mr. James was very much interested in this subject, as Chairman of the Committee, and gave many months of careful study and thought to the proper compilation of a Constitution, and was the framer of the Constitution, which was adopted at Boston, his work embodying a new document from beginning to end. He called into consultation his most excellent Committee on several occasions, but the preparation of the document and its final outcome emanated from the legal mind of Colonel James. It was the purpose of Colonel James and his hope that he might attend the Boston Convention and report out this Constitution as Chairman of the Committee. It was his full intention to do so up to within three or four days of the Convention, when both his surgeon and physician forbade him making the effort, and it was a great disappointment to him that he could not be present at the Boston Convention, finish his work, and again meet his many friends.

meet his many friends.

The Constitution in its entirety will stand for many years as a concrete example of his magnificent work, as well as a labor of love, during a period when he was so seriously affected by his disability.

work, as well as a labor of love, during a period when he was so seriously affected by his disability. No better evidence can be had of the standing of Colonel James in his own community, than in the notices which appeared in the press of his home town, embodying also the beautiful tributes of speech made by his persenal friends. One paragraph appearing in the press is quoted herewith:

"A man of fine personal appearance, congenial, affable, a fine conversationalist, a great reader, and of most exemplary character, he was one of Easton's foremost citizens, commanding the respect and esteem of the entire community in which he had lived so many years, and from which he has been called in the heighth of his usefulness and ability—a distinct loss to not only his city, but to the world of honorable finance."



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## TRUST COMPANY SECTION



OFFICERS, 1913-1914.

PRESIDENT:
F. H. GOFF, President Cleveland Trust Co., Cleveland, Ohio.

RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

CHAIRMAN EXECUTIVE COMMITTEE:
JOHN H. MASON, Vice-Pres. Commercial Trust Co., Philadelphia, Pa.

SECRETARY:
PHILIP S. BABCOCK, 5 Nassau Street, New York City.

THE revised constitution of the American Bankers Association as adopted at the Boston Convention provides that Presidents of the several Sections shall be members of the Executive Council, ex-officio, and that any Section having a membership of more than one thousand members shall be aptitled to an edditional members of the Council. be entitled to an additional member of the Council, ex-officio. It further provides that:

"Sections of the Association may be authorized or confirmed and regulated by By-Law, for the promotion of the welfare of the different business classes of the membership, and any member of the Association may become a member of such Section as may best benefit such member's business interests, and when any Section is authorized by By-Law, the same shall upon application made, be established by the Executive Council."

This has been construed by our General Counsel, as well as the framers of this amendment, to mean that members of this Association may be actively affiliated with but one Section.

In view of these provisions the General Secretary, early last month, addressed a letter to all the members enrolled in both the Trust Company Section and bers enrolled in both the Trust Company Section and the Savings Bank Section asking them to indicate their preference as to which Section they preferred to continue their active membership. It is gratifying to report that replies have been received from a sufficient number of such members to entitle the Trust Company Section to an additional member on the Council. The Savings Bank Section is also qualified for two members. A number of our members have for two members. A number of our members have not as yet replied to this circular letter and for the purpose of accuracy and otherwise, it is hoped that they will send in promptly the card enclosed in the General Secretary's letter above referred to.

The list of State Vice-Presidents of the Section elected in accordance with the By-Laws is published

herewith

Arizona—N. E. Plumer, President Southern Arizona Bank & Trust Company, Tucson.

Arkansas—W. L. Hemingway, Vice-President Mer-cantile Trust Company, Little Rock.

California—J. D. McKee, Vice-President Mercantile Trust Company, San Francisco.

Colorado-John L. McNeil, President Durango Trust Company, Durango.

Connecticut—Robert Jay Walsh, President Greenwich Trust Company, Greenwich.

Delaware-Charles H. Maull, Director Sussex Trust Company, Lewes.

District of Columbia—Charles J. Bell, President American Security & Trust Company, Washington.

Florida—Henry G. Aird, Vice-President Guaranty Trust & Savings Bank, Jacksonville. Georgia-E. Woodruff, President Trust Company of

Georgia, Atlanta. Illinois-Lucius Teter, President Chicago Savings Bank & Trust Company, Chicago.

Indiana—Claude L. Balthis, Vice-President Mutual Trust & Deposit Company, New Albany.

a—James F. Toy, President Farmers Loan & Trust Company, Sioux City.

Kentucky-John Stites, Vice-President Louisville Trust Company, Louisville.

Louisiana—L. M. Pool, Vice-President Hibernia Bank & Trust Company, New Orleans.

Maine-H. W. Cushman, President Merrill Trust Company, Bangor.

Maryland—F. G. Boyce, Jr., Vice-President Mercantile Trust & Deposit Company, Baltimore.

Massachusetts—Charles H. Keith, Vice-President Franklin County Trust Company, Greenfield.

Michigan-C. O. Patch, Vice-President Security Trust Company, Detroit.

Minnesota—J. W. Wheeler, President Capital Trust Company, St. Paul.

Mississippi—W. M. Anderson, President Merchants Bank & Trust Company, Jackson.

Missouri-James E. Brock, Secretary Mississippi Valley Trust Company, St. Louis.

Montana-C. C. Swinborne. Treasurer and Secretary Daly Bank & Trust Company, Butte.

Nebraska-R. C. Peters, President Peters Trust Company, Omaha.

New Jersey-W. J. Couse, President Asbury Park Trust Company, Asbury Park.

New York—W. B. Cardozo, Vice-President Farmers Loan & Trust Company, New York.

North Carolina—James A. Gray, Vice-Presider Wachovia Bank & Trust Co., Winston-Salem. Vice-President -C. B. Wright, President Union Savings Bank &

Trust Company, Cincinnati. Oregon-Emery Olmstead, Vice-President Portland

Trust Company, Portland. Pennsylvania—George H. Stuart, 3d, Assistant Treas-urer Girard Trust Company, Philadelphia.

Rhode Island-Aram J. Pothier, President Union Trust Company, Providence.

South Carolina—John F. Ficken, President South Carolina Loan & Trust Company, Charleston.

South Dakota-W. E. Stevens, President State Bank & Trust Company, Sioux Falls.

Texas—Edwin Hobby, Cashier Guaranty State Bank & Trust Company, Dallas. Vermont-W. W. Russell, Treasurer Inter-State Trust

Company, White River Junction. Virginia-H. W. Jackson, President Virginia Trust

Company, Richmond. Washington—James C. Cunningham, Vice-President Union Trust & Savings Bank, Spokane.

West Virginia—B. Walter Peterson, President Dollar Savings & Trust Company, Wheeling.

Wisconsin-E. B. Steensland, President Savings Loan & Trust Company, Madison.

Owing to the realignment of membership, as set forth above, vacancies exist in one or two States, but these will be filled in due course.



PRESIDENT: dont Security Trust & Savings Bank, J. F. SARTORI, President Security T Los Angeles, Cal

W. E. KNOX, Comptroller Bowery Savin York City. Savings Bank, New

CHAIRMAN EXECUTIVE COMMITTEE: N. F. HAWLEY, Treasurer Farmers & Mechanics Savings Bank, Minneapolis, Minn. Ta ar

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SECRETARY:

E. G. McWILLIAM, 5 Nassau Street, New York City.

#### CORRECTIONS IN LIST OF VICE-PRESIDENTS.

WING to the provision of the new Constitution requiring a bank to be affiliated actively with but one Section of the Association, it has been necessary to make several changes in the list of vice-presidents of the Savings Bank Section. The following gentlemen have been appointed to represent us as vice-presidents in their respective States:

-W. E. Lenon, President People's Savings

Bank, Little Rock. ttucky—W. F. Paxton, President Citizens' Savings Bank, Paducah. Kentucky-

Nevada-George Wingfield, President Nixon National Bank, Reno.

Oregon-Andrew C. Smith, President Hibernia Savings Bank, Portland. cas—W. E. Connell, President First National Bank,

Fort Worth.

#### FOR THE ATTENTION OF VICE-PRESIDENTS OF THE SAVINGS BANK SECTION.

HAT the Campaign of Education in Saving and Thrift which was instituted last year by this Section has been steadily progressing is evidenced by the report of the Methods and Systems Committee as rendered at Boston; and for fear some may, because of the quietness with which this work has been prosecuted, think that it is not accomplishing results, the report of that committee is presented herewith for your especial consideration:

Mr. Chairman and Members of the Savings Bank

"During the past year your Methods and Systems Committee has been entirely occupied with the campaign of Education in Savings and Thrift, which was suggested by our Secretary at a meeting of the Executive Committee in May, 1912. You may recall that at the Detroit meeting our committee requested enlarged powers in order to properly handle this matter in all parts of the country. These were granted, and in accordance therewith the Vice-President in each state was requested to organize an Educational Committee from among those who had manifested an interest in the work, to carry forward same in his state. Several of these committees have been organized, although the activities have not been confined to such committees—bankers in all parts of the country having evidenced a lively interest in the work and taken it up in many sections.

"After some experiment our efforts have finally

been concentrated upon three principal channels—namely, the school savings system, lectures by financial men to the people, and thrift articles in newspapers and other publications-which we regard as the three most effective methods of directly reaching all classes

"In this work we have necessarily overlapped that of the Committee on School Savings Banks. For instance, directly due to the efforts of our Vice-Presidents, the school savings system has been legalized in California and New Jersey, and has been

adopted in Phoenix, Arizona, where it is in successful operation. It is also under favorable consideration in various sections of Arkansas, Illinois, Indiana, New Mexico, New York, North Dakota, Ohio and Oregon. Particularly in Chicago has good work been done by Joseph R. Noel, President North West State Bank, and our Vice-President for Illinois, through whose efforts about fifty representative bankers and members of the Board of Education invited our Secretary and Mr. J. J. Reynolds, of Brooklyn, to confer with them upon the matter, and it is now in the hands of a committee of the Board of Education of Chicago for special consideration. The Secretary also visited for special consideration. The Secretary also visited South Bend, Ind., where the school savings bank is under promising consideration.

"In Delaware they have deemed it wise to defer action until the State Association is reorganized, and in Florida and Mississippi it was planned to bring our work to the attention of the Bankers' Associations at conventions. Great co-operation has been apparat conventions. Great co-operation has been and the ent in Connecticut, Vermont and New Jersey, and the Secretary has presented our work at bankers' association conventions in each of these States. District of Columbia, Georgia, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mis-souri, North Carolina, South Carolina and Wisconsin, definite work is under consideration, and in forty states our Thrift articles are being published, which is especially gratifying, as we are entirely dependent upon the generosity of the press in this matter. We are sending these articles at the present time to over four hundred and fifty publications monthly, limiting them to one in any community, and endeavor to show our appreciation by writing the banks in such com-munity, calling attention to the fact that such paper is co-operating with us.

"A number of these articles, entitled "Thrift Talks," have recently been revised and issued in book form. This book has been sent to every member, besides being handed to all who have registered in the Savings Bank Section at this meeting, and we trust will furnish some new thoughts along publicity lines. The Secretary will be glad to supply a copy

to any who have not received one.

to any who have not received one.

"In New York, through co-operation with the Board of Education, we arranged a course of eight lectures upon Thrift, which were presented at Cooper Institute, and attended by over four thousand people, and two lectures in Brooklyn were given upon the same subject. Great interest was displayed in these lectures, the object of which was to tell the people, in terms they might comprehend, something of our financial institutions, and permit them to ask questions relative thereto. These lectures were printed and have been mailed in pamphlet form to our members. We believe this to be the most effective way of reaching our adult population, and urge its adoption reaching our adult population, and urge its adoption in other cities.

"In support of this belief it is very gratifying to announce that the Board of Education of the City of New York has asked us to arrange a Thrift course for each of the five boroughs of the city, during the season just beginning, and the first of these courses will begin on Thursday evening of this week at the Commercial High School of Brooklyn.

"That some progress has been made and the seed which has been planted beginning to bear fruit is evidenced by the numerous requests for the Thrift Talks from bankers, who desire to use them in their publicity work, from bankers and educators seeking information relative to the school savings system and from bankers here and there, stating that they have undertaken a local campaign of education in Thrift and desire advice.

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"This, gentlemen, is the work we have been doing in your name, and we feel that no better work has ever been attempted by any department of this Association, seeking as it does to strengthen the very foundations upon which our economic structure is reared; and we feel, further, that while it may take years for definite results to become obvious, we may report a gratifying progress in that, besides the practical evidence mentioned above, in at least forty different sections of our country thought is being directed toward thrift. However, we need the cooperation, advice and suggestion of all in order that mistakes may be avoided and the greatest degree of efficiency obtained, and we sincerely hope that none will be restrained from offering their aid because not officially connected with the work."

Respectfully submitted, V. A. Lersner.

Chairman Methods and Systems Committee.

The report was supplemented by the following remarks:

The President: This report certainly shows the fact that this Committee has been engaged in a work very promising and of great value to the Savings Bank Section, and during all the time I have been connected with this Section the chairman of that committee has been one of our most valuable and efficient workers, and I know that the results of the activities of that committee will be very beneficial, not only to the members of this Section but to the public.

general public.

There is a correction that should be made in the report where he speaks of the fact that in the city of South Bend, Indiana, the school savings idea is under promising consideration. It should be exchanged to the words "under satisfactory operation."

Mr. A. C. Schmitt: The same may be said of Portland, Ore.

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Mr. Lersner: I might amend the report from New York as a matter of fact, because I learned a few days ago that the Board of Education has sent to the principals of different schools reference to the school savings system there and has made it obligatory on the whole department to establish it.

Last year we requested our vice-presidents to organize committees in each State for the purpose of pushing forward the work therein. A few of these committees were formed, but little effective work was accomplished by them as committees, although there

were some notable exceptions. Our vice-presidents have a grand opportunity this year to develop this campaign in their States and make it at least begin to be recognized as an economic

factor. Societies are being organized to promote thrift: advertising men are using thrift as their text and banks here and there throughout the country are endeavoring to educate their communities in thrift, all of which we may safely say, directly or indirectly, is the result of the movement this Section instituted

last year.
Will not our vice-presidents endeavor to crystallize these various efforts into a close co-operation for results in each State?

#### Progressiveness.

The progressive bank, savings or commercial, The progressive bank, savings or commercial, recognizes that its progress depends upon its efficiency, and that it is efficient as a whole only in proportion to the efficiency of its officers and employees. Such an institution will frown upon the shortsighted policy of any individual withholding knowledge from another for fear of displacement, and will encourage the most liberal exchange of information between employees relative to their duties and responsibilities in order that no cog in the machine may be slipped by the temporary disability of any one of them.

The American Institute of Banking, through its

BANKERS

chapters and correspondence work, is performing an inestimable service to the banks in this respect, and now and then we hear of an especially gratifying instance where the bank itself is endeavoring to aid

Instance where the bank itself is endeavoring to aid its employees to a better knowledge of their business.

When such an example is set by one of the largest mutual savings banks of the East, it is worthy of especial notice, so that what the Williamsburgh Savings Bank of Brooklyn, New York, is doing along the above lines, having come to our attention, we decided at first opportunity to make mention of it in these columns, that possibly other savings banks might be induced to "go and do likewise."

The bank in question employs thirty men, includ-

ing officers, of whom there are four. A number of the men are active members of New York Chapter, American Institute of Banking, but others, of the older men, finding it inconvenient to attend the regular sessions of the chapter, Henry R. Kinsey, one of the Assistant Cashiers of the bank, determined to bring some of the good things he had acquired through Institute work to those of his fellow workers who are unable to avail themselves of its benefits, and has arranged a series of talks upon banking with

and has arranged a series of talks upon banking with special reference to all phases of savings banking.

One afternoon a week, after business hours, is devoted to these lectures by Mr. Kinsey, who usually talks about an hour and a quarter, which is followed by a half hour or so of discussion and questioning. The following syllabus was prepared by Mr. Kinsey to be covered in ten lectures, but due to the great interest displayed, as evidenced by the numerous material questions which are asked, it will probably require twelve or more efferments to cover the action. require twelve or more afternoons to cover the entire subject.

#### Banking-General.

National Banks, State Banks, Trust Companies, Private and Individual Bankers, Mutual Savings Banks.

#### History of Mutual Savings Banks.

Organization of Savings Banks from inception-Board of Trustees—Charter—By-Laws—Preliminary Work—Opening—Receiving Deposits—Various kinds of accounts-Paying moneys-Law governing.

#### Courts.

Various kinds—Decisions—Court of Appeals-Appellate Division—Trial Term Supreme Court— Interpleader—Summons and Complaint—Third

## party order. Assets and Liabilities. Surplus—Bonds and Mortgages—Stocks and Bonds—Cash on hand and on deposit—Banking House—Other Real Estate—Interest due and acceptable of the control crued-Taxes accrued.

#### Interest.

Due Accrued-Revenue-Amortization.

#### Accounting.

Journals-General and Special-Cash Book-Controlled Ledgers—Depositors—Stock & Bond—Bond & Mortgage—Real Estate—General Ledger—Trial Balances-Statement of Income and Profit and -Balance Sheet-Liquidation.

Mr. Kinsey's efforts are earnestly seconded by V. A. Lersner, senior Assistant Cashier, who also de-livers some of the lectures, and the other officers of the bank. A number of the employees of the bank have been in its service more than twenty years, have been in its service more than twenty years, yet all are eagerly following this work, although it is in no way compulsory. It is planned during this course to have gentlemen engaged in other lines of financial activity address the class, and to visit one or more commercial banks in order to become thoroughly familiar with the practical operation of all classes of financial institutions.

This bank and its patrons are to be congratulated upon being served by a body of men who are con-

upon being served by a body of men who are continually preparing themselves for better service. Would that the officers and employees of every bank could realize the importance of such preparation!



## **CLEARING HOUSE SECTION**

OFFICERS, 1913-1914.

JOHN K. OTTLEY, Vice-President Fourth National Bank, Atlanta, Ga.

A. O. WILSON, Vice-President State National Bank, St. Louis, Mo.

CHAIRMAN EXECUTIVE COMMITTEE:

J. D. AYRES, Vice-President The Bank of Pittsburgh, N. A.,
Pittsburgh, Pa.

SECRETARY:

O HOWARD WOLFE, 5 Nassau Street, New York City.

#### EXTENDING THE EXAMINATIONS.

THE extension of the field of the Clearing House Examiner beyond the immediate city limits is no longer new to those who have kept in touch with clearing house affairs. The plan under which the Los Angeles Clearing House operates was explained in these columns in the August issue, and at the Boston Convention both Mr. Jess and Mr. Wilson spoke enthusiastically in favor of the extension of the system whereby Mr. Wilson now conducts clearing house examinations in all the cities of Los Angeles County.

A delegation of bankers from a neighboring county waited upon the Los Angeles Committee, asking that the system be further extended to take them in. The bankers have been advised to form a new group, combining with other counties, and while, as we understand it, the matter has not been definitely settled, it is likely the suggestion will be adopted. In writing to this office, Mr. Wilson says: "We may possibly be a little more optimistic than some sections, but we do hope that the time will come when all of Southern California at least will have groups and a Clearing House Examiner in each group."

In addressing the California Convention in 1912, Mr. Wilson said, in part: "Some years ago there was a movement on foot to place the entire state into districts. Each district was to have six trustees. Many of the districts organized, some even chose their examiners, and the matter was dropped.

Many of the districts organized, some even chose their examiners, and the matter was dropped.

"Did you ever consider what bank was the easiest to examine? It is the city bank. You find there loans on stocks and bonds of known value. If the paper is of firms and corporations, mercantile agencies can enlighten you. If mortgages, the price per front foot is more easily arrived at than acreage in the country. Much of the paper in the country banks is personal and the banker is an optimist.

"Did you ever know of a banker who would admit that any great amount of the paper he was carrying was bad? There may be notes with interest long overdue, notes of which the makers are in financial straits. The banker is sincere; he believes they will ultimately come out all right. Unless the amount is very large, the regular examiner has not time to look into such matters. A district examiner would take the time. A careful analysis of credits is the most important part of his work. After compiling the loans, he would consult the district trustees.

"Brown's loan in one bank seems all right; it is found he is a borrower in several. Brown has borrowed a certain amount in the district; the banks and separate amounts are not mentioned. Is he good for it? Some of the six trustees would know Brown; if not, he would be the subject of a special investigation by the examiner. Examiners in adjoining territory would exchange lists of the large borrowers. Where borrowers in one district were found in another, each examiner would furnish all the information at his command."

In connection with the suggestions contained in the above, it is interesting to note that a movement has been started in one of the counties of Pennsylvania to establish just such a plan of group supervision as is contemplated in the group examiner system. It is the more significant when we understand that the gentleman who is advocating this plan in Pennsylvania is not a banker and knew nothing of the clearing house examination plan when he began his investigations.

#### TOTAL BANK TRANSACTIONS.

E can think of no more useful bit of knowledge in connection with providing for a proper reserve to be held against deposits than accurate and reliable information as to the amount of business done with bank checks. Such statistics have also a great economic value, aside from their peculiar interest to the banks themselves. It is interesting to read the various methods that statisticians have employed to arrive at some estimate of the country's bank check figures.

In the January JOURNAL-BUILLETIN we hope to print an article showing what we have learned in the past year through the figures of Total Bank Transactions collected for the first time by the Clearing House Section. We take this occasion to appeal to the individual bank which is a member of any clearing house now furnishing clearings to the financial papers, to do its part in having every clearing house in the country send in to us the figures of Total Bank Transactions. There is no extra work involved and it is certainly not complimentary to the banker's intelligence to have to report that many have asked us, "Of what use are these figures to us?" About thirty representative cities now collect and send us the figures, and many others seem willing to come in, but they are holding out "to see what the others will do."

This is a matter in which all banks should be interested, and it is to every individual clearing house member that we appeal.

#### ENDORSEMENT STAMPS.

We are still able to supply endorsement and other stamps to be used in connection with the Universal Numerical System to our members. Endorsement stamps with date are 80 cents each, without dates, 50 cents each, made with the transit number of the bank in each case. Single line number stamps for numbering unused stock of checks printed without the numbers are 10 cents each. Send an imprint of the stamps desired with New York funds, postage or currency to the Clearing House Section, American Bankers Association, 5 Nassau Street, N. Y.

#### NEW KEY TO THE NUMERICAL SYSTEM.

THE latest edition of this useful book may be obtained through the Association offices. The price is \$1.50 per copy, and we would ask that New York funds be sent in payment. The new book contains the numbers of all new banks up to September 1, 1913.

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#### NEW MEMBER.

X/ $^{E}$ have enrolled the Reno (Nev.) Clearing House Association as a member of the Clearing House Section.

#### A. B. A. MORTUARY RECORD REPORTED DURING NOVEMBER.

Allen, Alpheus S.-Director First National Bank and Paterson Savings Institution, Paterson, N. J. Amory, Charles W.-Director Old Colony Trust Co. and Merchants' National Bank, Boston, Mass. Andreas, August G.-Vice-President City National Bank, El Paso, Texas.

Atwater, Henry Day-Controller South Brooklyn Savings Institution, Brooklyn, N. Y.

Barstow, Sanford K .- President State Banking & Trust Co., Cleveland, Ohio.

Beach, Frederick Halsey-Vice-President and Director National Union Bank, Doyer, N. J.

Beard, Morris H.-Vice-President Bank of Hardinsburg & Trust Co., Hardinsburg, Ky.

Bennett, Henry P.-Vice-President and Cashier Silver Bow National Bank, Butte, Mont,

Blair, Thomas Jefferson-Vice-President Bank of Riverdale, Riverdale, Mich.

Calhoun, William I.-Treasurer Sumner Savings Bank, Boston, Mass.

Conrad, S. A.-President Merchants' National Bank, Massillon, Ohio.

Flint, Walter A.-Vice-President First National Bank, West Orange, N. J.

Franklin, V.-President Citizens' National Bank, McCook, Neb.

Gardner, Thomas A .- of Plympton, Gardner & Co., New York City

Glase, Peter L.-Director Reading National Bank, Reading, Pa.

Hayes, W. D.-Cashier Hastings National Bank, Hastings, Mich.

Hayward, Edward Stearns-Assistant Cashier First Natonal Bank and Director Hyde Park Savings Bank, Boston, Mass.

Hill, William H .- Director First National Bank of Boston, Boston, Mass.

Hilliard, John Wesley-Director First National Bank, Ozark, Ala.

Hogue, William F.-Director People's Bank, Marion, Ala.

James, Robert E.-President Easton Trust Company, Easton, Pa.

Lanigan, James F., Jr.-Vice-President Arlington Trust Co., Lawrence, Mass.

Leistkow, W. C.-Director Northern Crown Bank, Winnipeg, Manitoba, Canada.

Lennig, John B.-President Frankford Trust Co., Philadelphia, Pa.

Lessey Samuel H.-Cashier Birmingham National Bank, Derby, Conn.

MacGeagh, John Williams-Cashier Hibernian Banking Association, Chicago, Ill.

Millington, Charles S.—President Herkimer National Bank, Herkimer, N. Y., and First National Bank, Dolgeville, N. Y.

Morris, Edward-Director First National Bank, Security Bank, and West Side Trust & Savings Bank, Chicago, Ill.

Parrott, Joseph R.-Vice-President Florida National Bank, Jacksonville, Fla.

Parsons, L. E.—Cashier and Director Citizens' State Bank, South Haven, Mich.

Pass, James-Director First National Bank, Syracuse, N. Y.

Peck, I. J.—President Reedley National Bank, Reedley, Cal.

Remick, George B.-Director Union Trust Co., Detroit, Mich.

Reynolds, Allen W.-President First National Bank, Oriskany Falls, N. Y.

Richards, Henry M.-Vice-President Spokane & Eastern Trust Co., Spokane, Wash.

Saint, S. J.-President Citizens' Deposit & Trust Co., Sharpsburg, Pa.

Shaver, Thomas B.-Cashier People's Bank, Bay City, Mich.

Smith, Asa B.-Vice-President Lapham State Savings Bank, Northville, Mich.

Smith, William J .- President Memphis State Bank & Trust Co., Memphis, Tenn.

Smith, William W.-Vice-President and Director Fallkill National Bank, Poughkeepsie, N. Y.

Squires, H. C .- President Potter State Bank, Potter, Kan.

Stephenson, Isaac, Jr.-Director First National Bank, Menominee, Mich.

Stevenson, George B .- of Sailor & Stevenson, Philadelphia, Pa.

Swarts, M. D.-Cashier First National Bank, Dushore, Pa.

Trowbridge, Frank Dean-President National New Haven Bank, New Haven, Conn.

Westerhold, Charles C.—Assistant Cashier Commercal National Bank, Sandusky, Ohio.

Whitney, Charles M.-Vice-President and Director Whitney-Central Nat. Bank, New Orleans, La.



PRESIDENT:
WILLIAM J. HENRY, Secretary New York State Bankers'
Association, New York City.

SECOND VICE-PRESIDENT:
T. H. DICKSON, Secretary Mississippi Bankers' Association, Jackson. P. W. HALL, SECRETARY-TREASURER: Secretary Iowa Bankers' Association, Des

FIRST VICE-PRESIDENT:
W. W. BOWMAN, Secretary Kansas Bankers' Association,
Topeka.

### PROTECTIVE WORK OF STATE BANKERS' ASSOCIATIONS.

Oklahoma Bankers' Association, Office of the Secretary.

Enid, November 14, 1913.

#### WARNING NOTICE.

A Muskogee bank informs us that one W. A Muskogee bank informs us that one W. F. Benson is traveling through the State cashing checks signed by the "Southern Engineering & Construction Company" and drawn on the First State Bank of Dallas. The Southern Engineering & Construction Company appears to be all right, but W. F. Benson is using their name without authority. is using their name without authority.

#### PROFESSIONAL FORGER.

Secretary Bowman of Kansas informs us that a very clever professional forger has just duped a number of banks in that state of large sums, and as he was last heard from in Wichita, he is headed for Oklahoma apparently. His method follows: Depos-Oklahoma apparently. His method follows: ited fraudulent check with a bank in Larned, on Bremen Bank, St. Louis. Drew \$80 and skipped. Then checked on Larned from other points. Uses name of W. H. Bennett and H. Bernard, but may use any name. No description given. This is the season when forgers and yeggs are thick and EVERY when forgers and yeggs are thick BANKER SHOULD BE ON GUARD.

#### TEXAN EN ROUTE HERE.

Secretary Hoopes of Texas informs us that \$50 reward is offered for arrest of W. T. Butler and detention of property with which he has absconded. Butler is sixty, gray hair and beard, weighs 135, left arm crippled, and has freckled face, red-haired boy of twenty. The property consists of red mare mule with white nose, black mare mule with wire cut on left hind leg, black mare mule branded S on right shoulder iron gray mare four vears old three-inch Springder, iron gray mare four years old, three-inch Spring-field wagon about three years old and three-inch Luedinghaus wagon used one year. This party is headed for Oklahoma. If you see him, wire Secretary. Texas will reciprocate when you need help there.

Washington Bankers' Association. Office of the Secretary.

Tacoma, November 15, 1913.

#### WARNING.

No. 289.-FORGED CHECK .- A man by the name of E. M. Olson has been passing forged checks purportof E. M. Olson has been passing forged checks purporting to be drawn by the Carlson Lumber Co., of Mineral, Wash., on the State Bank of Morton. Description: About 6 ft. tall, age 35 years; light complexion, smooth shaven; good talker; wore brown suit of clothes and small black hat; checks he cashed at hotel and saloons were both numbered 94 and dated September 27th, signed with a small rubber stamp. No. 290.—A man named W. B. Wilson passed a forged check on a merchant in Burlington, purchasing a pair of shees and taking the balance in change.

ing a pair of shoes and taking the balance in change. The check was for \$20 and purported to be signed Great Northern Ry. (by rubber stamp) by R. H. Pat-

terson, drawn on First National Bank of Bellingham. Look out for him.

No. 291.—LOOK OUT FOR BOGUS CHECK MAN.—A man under various names of S. H. Bonney, Samuel Brown, and C. C. Bowen, has been passing bogus checks in California and Washington, drawn upon the National Bank of America, Salina, Kana (Checks drawn to California was a control of the California Checks drawn in California were for \$100, \$1,000 and \$1,500, while checks drawn in Seattle and Ephrata, Wash., were for \$2,000 and \$25, respectively. It is evident this crook is going up and down the Coast doing business on a large scale. Up to present writing none of our members have been defrauded. He cytdeath, her a check beek of the National Bank of evidently has a check book of the National Bank of America, Salina, Kans., since that bank states he is using their form. Look out for him and advise the

Secretary if he appears.

No. 292.—A man named H. R. Allen, claiming to hold a chair of mathematics in the University of Washington, and to have been formerly the principal Washington, and to have been formerly the principal of the Tacoma High School, was recently arrested in Roseville, Cal., for passing a small bogus check. Description: About 57 years old, 5 ft. 9 in. tall; heavy dark mustache tinged with gray; square shoulders; fluent talker on socialistic or I. W. W. order; does considerable writing. If he is wanted, write Roseville Banking & Trust Co., or G. W. Hamilton, district attorney. Appur. Cal.

district attorney, Auburn, Cal. No. 293.—A man named H. E. Haswell, employed No. 293.—A man named H. E. Haswell, employed as night watchman at a local mill by the First National Bank of Everett, on October 31st received a check for his own wages and also a cashier's check for the day watchman. He cashed his own check at the bank and went to a local store and forged the endorsement of the other man and received the money. Description: Height, 5 ft. 8 in.; weight, 190 lbs.; dark complexion; full round face; gray eyes; hair straight and slightly gray; smooth face; wearing gray clothes, much soiled, wide brim light brown hat.

No. 294.—LOST CERTIFICATES OF DEPOSIT.

—We are advised that the following Time Certificates

NO. 294.—LOST CERTIFICATES OF DEPOSIT.

—We are advised that the following Time Certificates of Deposit issued by the Colfax National Bank of Colfax, Wash., in favor of O. W. Anderson, have been lost or stolen: August 7th, 1913, No. 1283, \$106; August 11th, 1913, No. 1284, \$5; August 11th, 1913, No. 1285, \$15.

August 11th, 1918, No. 1284, 49; August 11th, 1918, No. 1285, \$15.

No. 295.—BOGUS CHECKS.—The country is full of bogus check men. Cash no checks for strangers unless endorsed in your presence by solvent local party. Be on your guard.

The Indiana Bankers' Association, Office of the Secretary,

501 Chamber of Commerce.

Indianapolis, Ind., November 6, 1913.

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#### SPECIAL TO THE BANKS OF INDIANA.

STOLEN—Certificate of Deposit No. 4526, dated October 17, 1913, in the sum of \$350, payable to James R. Stewart, issued by the First National Bank, Dana, Ind. Certificate was stolen from owner November 3, 1913. If presented at your bank, wire this office at

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ted nes na, 3, at LOOK OUT for a party named L. J. Herriff, who is a fluent, shrewd talker, well informed on almost any subject. Weight, 200 lbs.; height, 6 ft.; complexion, dark; smooth shaven; age, about 30 years. Has been cashing checks drawn on the National Bank of Brookston or State Bank of Brookston. (Neither of these banks exists.)

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of these banks exists.)

Forged checks are now coming in from Indiana and Kentucky, issued by a party about whom we have warned you many times. He works Indiana, Ohio, Kentucky and Michigan. Issues checks for small amounts, under \$5, and are almost always drawn by some Nursery Company. His last checks are signed the "Fenton Nursery Company," and drawn on Ohio National Bank of Columbus, Ohio. Should you hear of his being in your vicinity, please wire us immediately, as we are very anxious to apprehend him.

The Indiana Bankers' Association, Office of the Secretary, 501 Chamber of Commerce.

Indianapolis, Ind., November 12, 1913.

LOOK OUT FOR THIS CHECK SWINDLER.

We notified you a few days ago that a party giving the name of C. H. Murphy was passing checks all over the State drawn on Ohio National Bank of Columbus, Ohio, signed Fenton "Nurcery" Co., by James A. Fenton, Treasurer. The checks are well gotten up and look good. They are for small amounts, usually under \$5. This same party is also issuing checks on State Bank of Syracuse, N. Y., signed, with rubber stamp, "The Sherwood Bros. Nursery," per E. C. Sherwood, Treas., and endorsed C. P. Black.

C. P. Black.

Here is his description: Weight, about 180 lbs.;
height, about 5 ft. 10 in.; complexion, dark; small,
squinty eyes; black mustache, cut close; when walk-

ing, shoulders slightly stooped.

Missouri Bankers' Association, Office of the Secretary.

Sedalia, Mo., November 5, 1913.

#### ANOTHER ONE!

On July 30, 1913, we informed members of the apprehension and conviction of two bank robbers and the payment of \$1,000 reward by the Association. John O'Brien has been sent to the penitentiary for a term of twelve years from September 6, 1913, on the charge of burglarizing the Bank of Mansfield, and for whose apprehension and conviction the Missouri Repriess? Association has paid a reward of \$500. Defor whose apprenension and conviction the missouri Bankers' Association has paid a reward of \$500. De-scription: Name, John O'Brien, aliases John Sullivan, Frank Allen, Tom Allen, Frank West; age, 36 years; height, 5 ft. 4 in.; weight, 122½ lbs.; build, medium slender; color of hair, medium dark chestnut; color of eyes, blue; complexion, medium sallow; occupation, cook.

Sedalia, Mo., November 19, 1913. \$125 REWARD!

To Members M. B. A., Sheriffs and Police Officers:

A members M. B. A., Sheriffs and Police Officers:

A member at Ozark, Mo., informs us that it has been defrauded by means of a forged check drawn by a man answering the following description: Age, 60 years; weight, 160 lbs; complexion, light; color of hair, dark; height, 5 ft. 11 in.; color of eyes, dark brown; style of beard, mustache; color of beard, dark—somewhat lighter than hair. Remarks: Favorably appearing man; wore dark coat and trousers of lighter color. Purchased a horse from L. W. Pursley, who lives near Springfield, Mo., and in payment of same tendered a forged check purporting to be drawn who lives near Springfield, Mo., and in payment of same tendered a forged check purporting to be drawn by our member's customer, H. C. Collins, whom the forger represented himself to be. Was driving a black horse about 15 hands high, hitched to a top buggy with black body, red wheels or running gears, and steel tires. The horse, in payment of which the forged check was tendered, is described as follows: Blood bay; 16 hands high and weighing about 1,365 lbs.; three feet white and left hind foot unmarked; Roman nose; blazed face, the blaze running from nose to brow band and varying slightly to one side. When the forger left the Pursley farm he was leading this horse behind the buggy described above, and is supposed to have driven to Springfield.

For the apprehension and conviction of this man on the crime charged above the Missouri Bankers' Association offers a reward of \$75, reward to remain in force for one year from date of this notice and to be paid according to the by-laws and rules of said Association.

In addition to the reward offered by this Association, the defrauded bank informs us that it will pay a reward of \$50 for the apprehension and conviction

of the forger. Arrest and wire this office and the Sheriff of Christian County, Ozark, Mo.

LOST OR STOLEN.

Cashier's check No. 5456 for \$900, dated October 25, 1913, issued by the Empire Trust Company of St. Joseph, Mo., payable to William Fuhrman.

#### WARNING.

Recently several cases have come to our notice wherein attempts have been made to defraud members, individuals and business firms by means of bogus sight drafts, worthless checks, forged telegrams, etc.

#### REGISTRATION AT OFFICES.

THE following visitors registered at the As-sociation offices during the month of November:

Aiken, A. L., President Worcester National Bank, Worcester, Mass.

Alling, Newton D., Vice-President National Nassau Bank, New York City.

Andrews, George F., Cashier Home National Bank, Ellenville, N. Y.

Ayer, Harry L., Boston, Mass.

Bradway, Charles A., Treasurer Monson Savings Bank, Monson, Mass.

Burns, William J., President The W. J. Burns International Detective Agency, New York City.

Chaffee, Carl H., Secretary Philadelphia Chapter, A. I. B., Philadelphia, Pa.

Cromwell, David, President First National Bank, White Plains, N. Y.

Cutler, Ralph W., President Hartford Trust Company, Hartford, Conn.

Dearden, Charles I., Irving National Bank, New York City.

City.

Dolbears, J. B., Teller Norwich Savings Society, Norwich, Conn.

Farnsworth, F. C., New York City.

Fitzhugh, Arthur A., Jamaica, N. Y.

Fonda, H. B., Vice-President Transatlantic Trust
Company, New York City.

Ford, Franklin, New York City.

Gatling, N. P., Assistant Cashier Chatham and Phenix
National Bank, New York City.

Griffith, A. H., Detroit, Mich.

Hord, John S., President Bank of the Philippine
Islands, Manila, P. I.

Main, Fred L., Assistant Cashier Commercial Bank,
Titusville, Pa.

Marks, Lester, Honolulu, Hawaii.

Morgan, M. R., Cashier Eagle Rock Bank, Eagle

Marks, Lester, Honoluli, Hawali.
Morgan, M. R., Cashier Eagle Rock Bank, Eagle
Rock, Va.
Morgan, W. D., Cashier Ætna National Bank, Hartford, Conn.
Newcomer, Waldo, President National Exchange
Bank, Baltimore, Md.
Newell, E. J., Cashier People's Bank, Buffalo N. Y.
Peck, M. O., Vice-President "The Financier," New
York City.
Pugsley Cornelius A. President Westchester County

Pugsley, Cornelius A., President Westchester County National Bank, Peekskill, N. Y. Pugsley, C. D., New York City. Rose, Walter S., President The Citizens' National

Bank, Patchogue, N. Y. Ruggles, Charles A., Manager Boston Clearing House,

Ruggles, Charles A., Manager Boston Clearing House, Boston, Mass.

Sheridan, W. P., Private Detective, New York City.

Tabor, Horace J., Cashier First National Bank, Greenwich, N. Y.

Titton, McLane, Jr., Secretary Alabama Bankers' Association, Pell City, Ala.

Tubbs, E. C., Auditor Fort Dearborn National Bank,
Chicago, Ill,



#### THE FEDERAL INCOME TAX LAW.

N the November Journal was published:

1. The text of the Federal Income Tax Law.
2. Synopsis of the law prepared by Hon. Cordell Hull, M. C., the author of the bill as it appears in the "Congressional Record" of October

16, 1913.

3. Regulations issued by the Treasury Department, October 25, 1913, regarding the deduction of the income tax at source on coupons, etc., as revised October 27, 1913, by making changes in the headings and forms of certificates, and in the provisions relating to partnerships and further revised October 31st by the addition of a clause to the certificate of ownership showing further revised October 31st by the addition of a clause to the certificate of ownership showing total exemption to which owner was entitled.

4. Statement prepared by Mr. Stuart H. Patterson, an expert employed by the Committee of New York Trust Companies, explaining the business side of the above regulations.

5. Regulations issued by the Treasury Department October 31st regarding the deduction at Source of the remail tax of one per cent of in-

source of the normal tax of one per cent. of income of individuals other than derived from interest upon bonds, etc.

The following additional regulations and rulings have since been published by the Treasury Depart-

(T. D. 1891.)

Income Tax on Notes Given for Interest, Rents, etc.

How tax shall be collected when such notes, before their maturity shall have been sold by the payee or recipient, or shall have been discounted with banks.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 3, 1913.

To Collectors of Internal Revenue:

When a note shall have been given in payment of interest, rents, or other income accruing after March 1, 1913, and said note matures on or after November 1, 1913, and said note matures on or after November 1, 1913, the maker of the note, as the "debtor" and as the "source" where the income originates, is required, in paying such note, to withhold the normal tax of 1 per cent, on the entire amount of the note, if said note is in excess of \$3,000, unless a claim shall be made for exemption of \$3,000 or \$4,000 (as the case may be) under the provisions of paragraph C, section 2 of the act; and if such claim for exemption shall be made (as provided for on Form 1007). tion shall be made (as provided for on Form 1007), then the said tax shall be withheld only on the amount of said note in excess of the exemption claimed in said certificate.

If any person who has purchased or discounted any of said notes may have omitted, in acquiring any of said notes may have omitted, in acquiring them from previous holder, to make a deduction or allowance for said tax, such purchaser can only look for relief to the person from whom he shall have gotten the notes, and the "debtor," the maker of said notes, will be held liable for and be required to deduct, withhold, and pay to the collector of internal revenue the amount of the normal tax of 1 per cent. which may be due thereon under the law and these

regulations. To illustrate:

A (unmarried, and who does not claim the \$3,000 exemption provided in paragraph C of section 2 of the income-tax law) borrows on May 1, 1912, \$120,000 from B at 6 per cent. per annum interest on two years' time and gives B his bond for \$120,000

for the principal and four \$3,600 notes, each representing six months' interest, for the maturing interest, payable May 1st and November 1st each year. On October 1, 1913, B takes A's interest note for \$3,600, due November 1, 1913 (which bears no mark to indicate that it represents interest), to the Richmond National Bank; the bank is not informed that the note represents interest, but being satisfied that A, the maker of the note, is good without additional endorsement, discounts the note for B at the rate of 6 per cent, per annum and pays to B the proceeds \$-\$\$5,582.

On November 1, 1913, the note matures and the bank calls on A, the maker, to pay the note. A offers the bank \$3,564, which is equal to \$3,600 less the 1 per cent. tax of \$36, informing the bank that the note represents interest which he owes and that under the Federal income-tax law, he is required to for the principal and four \$3,600 notes, each repre-

under the Federal income-tax law, he is required to deduct this tax from the face of the note in making

payment.

payment.

The bank claims that it was not informed that the note represented interest and, therefore, subject to this tax; but A is, nevertheless, required under the law to withhold the tax.

If A under his contract with B had agreed to pay the interest without deduction for any income tax which might be imposed by the Government, he would, of course, after deducting the 1 per cent. tax for the Government, pay the bank, as holder of the note, the full amount of \$3,600. But if the contract between A and B did not provide that A would pay the full interest without deducting such income tax as the Government might impose, and if the bank as the Government might impose, and if the bank should, therefore, desire to reimburse itself for the amount of the tax thus deducted by A, the bank can look only to B, for whom it discounted the note, and the question as to whether this \$36 deduction should be borne by B or by the bank is a question which must be settled mutually between the bank and B.

W. H. OSBORN, Commissioner of Internal Revenue.

(T. D. 1892.)

Income Tax.

Interest upon obligations of the United States or its possessions, or of any State, county, city or any other polical subdivision thereof, is not subject to income tax.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 6, 1913.

To Collectors of Internal Revenue:

It has been called to the attention of this office that banks in certain sections are refusing to pay coupons for interest on bonds of States, counties, cities, or other political subdivisions of the United States, when such coupons are not accompanied by certificates of ownership, without deducting the normal income tax of one per cent., which the law and the regulations of this department require shall be deducted at the source in paying the interest on bonds of corporations, joint-stock companies, or associations and insurance companies.

Please inform all parties interested, giving the information wide publicity, that the income derived from the interest upon the obligations of a State, county, city, or any other political subdivision there-of, and upon the obligations of the United States or its possessions, IS NOT SUBJECT TO THE IN-COME TAX, and a certificate of ownership in connection with the coupons or registered interest orders

rection with the coupons or registered interest orders for such interest will not be required.

The interest coupons should clearly show on their face whether they are issued by the United States or any political subdivision thereof. If, however, they do not clearly show this, then of course an owner-white contribute of the coupled to ship certificate should be required.

Respectfully,
W. H. OSBORN,
Commissioner.

(T. D. 1893.)

#### Income Tax.

Income tax on the interest on bank deposits and bank certifi-cates of deposit not to be withheld at the source.

Treasury Department,

Office of Commissioner of Internal Revenue,

Washington, D. C., November 6, 1913.

To Collectors of Internal Revenue:

Banks, Bankers, Trust Companies, and other banking institutions receiving deposits of money, are NOT REQUIRED under the Treasury Regulations (part 2), approved October 31, 1913, to withhold at the source the normal income tax of one per cent. on the interest paid, or accrued or accruing to depositions with the companies of the the interest paid, or accrued or accounts or on Certificates of Deposit; but all such interest, whether paid, or accrued and not paid, must be included in his tax return by the person or persons entitled to receive such interest, whether on open account or on the Certificate of Deposit tificate of Deposit.

W. H. OSBORN, Commissioner of Internal Revenue.

Approved: W. G. McAdoo,

Secretary of the Treasury.

(T. D. 1894.)

#### Income Tax.

Income tax ruling as to how and by whom certificates of ownership may be signed in cases where bonds of corporations, joint stock companies, or associations, and insurance companies are owned by non-resident aliens.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 12, 1913.

To Collectors of Internal Revenue:

Coupons (or orders for registered interest) payable in the United States, representing the interest on bonds owned by non-resident aliens, must be accompanied by the prescribed Certificate—Form 1004, as per Treasury Regulations of October 25, 1913—but this Certificate may be signed either by the owner himself (herself or themselves) or in behalf of the owner by a reputable bank or bankers, or other responsible collecting agency, certifying to the ownership of the bonds and giving the name and address of the bona fide non-resident and alien owners, and when such Certificate is thus attached the normal tax of the normal t

W. G. McAdoo,

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Secretary of the Treasury.

(T. D. 1897.)

#### Income Tax.

Instructions to collectors relative to corporations, joint-stock companies or associations, and insurance companies making return of annual net income for their fiscal years instead of the calendar year.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 14, 1913.

To Collectors of Internal Revenue:

The Federal income-tax law (sec. 2, act of October 3, 1913) authorizes corporations, joint-stock

companies, etc., under certain conditions to make their returns on the basis of an established "fiscal year," or consecutive 12-months' period, which may

be other than the calendar year.

Pursuant to this provision, the following instructions are issued for the guidance of collectors and other interested parties:

Any corporation, joint-stock company or association, or any insurance company, subject to the tax imposed by this act, may, at its option, have the tax payable by it computed upon the basis of the net income received (accrued) from all sources during the field year, provided that it shall designate the its fiscal year, provided that it shall designate the last day of the month selected as the month in which its fiscal year shall close as the day of the closing of its fiscal year, and shall, not less than thirty days prior to the date upon which its annual return is to brior to the date upon which its annual return is to be filed, give notice, in writing, to the collector of internal revenue of the district in which its prin-cipal place of business is located, of the day it has thus designated as the closing of such fiscal year.

In pursuance of this provision, a corporation or like organization subject to this tax may, for example, designate the 30th day of September as the day for the closing of its fiscal year, whereupon its return of annual net income shall be filed with the collector of internal revenue of the district in which its principal place of business is located not later than 60 days after the close of its said proposed fiscal year; that is to say, on or before the 29th day of November

next succeeding.

The date of the closing of the fiscal year having The date of the closing of the fiscal year having been designated, notice thereof must be given to the collector not less than thirty days prior to the last day of such sixty-day period. In the case just instanced, the notice must be given not later than October 31.

If such designation (September 30, been made and notice given, as hereinbefore i cated, as to the closing of the fiscal year 1913, cated, as to the crossing of the instal year 1910, the corporation would be authorized to make its return and have the tax payable by it computed upon the basis of the net income received (accrued) by it during the period from January 1 to September 30, 1913. both dates inclusive.

In the absence of such designation and notice of the closing of the fiscal year corporations and like organizations subject to this tax will be required to make their returns and have the tax computed upon

make their returns and have the tax computed upon the basis of the net income for the calendar year.

Collectors of internal revenue receiving notices of the selection and designation of the "fiscal years," as above indicated, will make record of the same, recording (a) the name of the corporation or like organization, (b) the date when the notice was given, (c) the day designated for the closing of the fiscal year, and (d) the date when the return under such designation must be filed, which must be, as above stated, not later than the last day of the 60-day period next following the day designated as the close of the fiscal year. fiscal year.

If it shall appear that for the current year the notice was given within the prescribed time—that is, within thirty days of the last day of the 60-day period the 1913 return may be made as of the fiscal year so established; otherwise it will be made on the basis of the calendar year until such time as the designation shall be duly made and notice thereof properly

The designation and notice cannot be retroactive; that is to say, if a corporation now designates April 30, 1914, as the date of the closing of its fiscal year and gives notice of such designation, it would not be authorized to make a return for the four months ended April 30, 1913, and then for the fiscal year ended April 30, 1914, nor would it be authorized to make one return covering the entire sixteen months ended April 30, 1914. In the case of such corporation the return for the current year must be made for the calendar year ended December 31, 1913, and then, assuming that designation and notice had been properly made and given, it may make a return for the The designation and notice cannot be retroactive: erly made and given, it may make a return for the four months ended April 30, 1914, and thereafter the return will be made on the basis of the fiscal year so established.

In all cases where a fiscal year is not established as above prescribed returns must be made on the

basis of the calendar year, in which case such returns must be filed on or before the 1st day of March

next succeeding such calendar year.

Such returns, for the period covered, must be true and accurate, definite and complete, and, in as far as consistent with the provisions of the law, must conform to the showing made by the books of the company, and must be verified under oath or affirma-tion of its president or other principal officer, and its treasurer or assistant treasurer; that is to say, its treasurer or assistant treasurer; that is to say, by two different persons acting in the official capacity indicated.

If it shall appear in any case that returns have been made to the collector on the basis of a fiscal year not designated as above indicated, the corporations making such returns will be advised that such

returns cannot be accepted, but must be made to cover the business of the calendar year.

Returns made under this act and pursuant to these instructions must be made on the new forms prescribed by this department.

The forms heretofore in use, under the special excise-tax law, cannot be used for making returns for either the fiscal or calendar year 1913.

If returns of such corporations as have properly established a fiscal year are due to be made before the new forms are available, the collector will be authorized to grant an extension of time to such corporations, not exceeding thirty days, for the filing of such returns, by which time the new forms prescribed will be available for distribution.

W. H. OSBORN, Commissioner.

Approved: W. G. McADOO, Secretary of the Treasury.

#### (T. D. 1901.)

#### Income Tax.

Walver until March 31, 1914, of Treasury requirements for the filling in on certificates of the numbers of the bonds of corporations, etc., upon the interest from which the normal income tax of 1 per cent. Is required to be de-ducted at the source under the provisions of the income-

#### Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

Notice is hereby given that the Treasury Regulations heretofore issued, which require that the numbers of the bonds, or other like obligations of corporations, etc., from which interest coupons are detached, or upon which registered interest is to be paid, shall be filled in on the certificates, are hereby registered of the numbers of the waived, so far as the filling in of the numbers of the

waived, so far as the filling in of the numbers of the bonds or other such obligations on the certificate is concerned, until March 31, 1914.

In all other respects, the certificates referred to must be filled in in accordance with the Treasury Regulations, before the coupons or orders for registered interest to which they may be attached shall be read. be paid.

W. H. OSBORN, Commissioner of Internal Revenue. Approved November 28, 1913. W. G. McADOO, Secretary of the Treasury.

(T. D. 1902.)

#### Income Tax.

Extension of time for use of temporary form 1005, from November 16, 1913, to January 15, 1914, so far as foreign holders of coupons and interest orders may be

Treasury Department.

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

The time for the use of temporary certificate (Form 1005) shall be extended from November 16, 1913, to January 15, 1914, when signed by a person firm, or corporation licensed under Faragraph E of the income-tax law, provided such form shall only be used in cases where the coupons to which it shall

relate shall have been received by such licensed person, firm, or corporation from a foreign country.

W. H. OSBORN, Commissioner of Internal Revenue. Approved November 28, 1913. W. G. McADOO, Secretary of the Treasury.

> (T. D. 1903.) Income Tax.

Regulations permitting the substitution, under certain conditions, of the certificates of banks, bankers, or other collecting agents, for the certificates of the owners required to be attached to interest coupons when presented for collection, under income tax regulations of October 25, 1913, and those supplementary thereto.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

Treasury Regulations of October 25, 1913, and Treasury Regulations of October 20, 1919, and those supplementary thereto, require that, under the conditions therein prescribed, there shall be attached to interest coupons, maturing on bonds and other similar obligations of corporations, etc., which may be presented for collection, certain certificates of ownership signed by the owners of the bonds from which the coupons were detached or by their duly

authorized agents. Notice is hereby given that responsible banks, Notice is hereby given that responsible banks, bankers, and collecting agents receiving coupons for collection with the aforesaid certificates of ownership attached may either present the coupons with the attached certificates to the debtor or withholding agent for collection, or, at the option of the collecting agent, the certificates above referred to may be detached from such coupons and forwarded direct to the Commissioner of Internal Revenue at Washington. D. C. as hereinafter set forth provided such ton, D. C., as hereinafter set forth, provided such bank, banker, or collecting agent shall thereupon substitute for said owners' certificate and attach to said coupons, in lieu of said certificate of owner, a certificate cate signed by said bank, banker, or collecting agent, to whom said coupons may have been first presented

for collection, in substantially the following form: (Form 1000a.)

Form of Certificate to be Attached to Interest Cou-pons in Cases where the Collecting Agent's Cer-tificate is Substituted for the Certificate of the

The owner's certificate, of which the following certificate is the counterpart, and bears the same number as this certificate, will be sent by the collecting agent direct to the Commissioner of Internal Revenue, at Washington, as prescribed by regulations. No.

I (we) .. (Name of collecting agent.)

declare that the owner of \$..... bonds of the ..... from which were (Name of debtor organization.)

(Maturity.) (Maturity.) filed with me (us) a duly executed certificate filled up in accordance with Treasury Regulations of October 25, 1913, Form No......, which certificate has been endorsed by me (us) as follows: "Owner's certificate has been endorsed by me (us) as follows: tificate No...

(Name of collecting agency.) (Date.) 191..," and in which the said owner [does/does not] claim, with respect to the income represented by said interest, the benefit of a deduction of \$....., allowed under paragraph C, Section II, of the Federal incometax law, the total exemption to which said owner now claims to be entitled thereunder being \$...., and I (we) do hereby promise and pledge [myself/ourselves] to forward the above-described certificate executed by the owners as stated and dated ...., to the Commissioner of Internal Revenue, at Washington, D. C., not later than the 20th day of next month, in accordance with Treasury Regulations.

Signature of collecting agent.

Address. claim, with respect to the income represented by said

Address..... Date ... ...... 191...

The certificate of the owner, for which the foregoing certificate of the collecting agent may be thus substituted by the collecting agent first receiving said coupons for collection, must be given the following endorsement by the collecting agents and should be made preferably with a rubber stamp:

Owner's certificate No......

(Name of collecting agency.) 191.

(Give date or certificate.)
The counterpart of the within certificate bearing like number was attached to the coupons within mentioned for delivery to the debtor or withholding agent, by whom the coupons are payable.

Certificates of owners for which collecting agents' certificates are substituted must be forwarded to the Commissioner of Internal Revenue at Washington, D. C., by the collecting agency receiving them not later than the 20th day of the month succeeding that in which said coupons were thus received for collections.

All banks, bankers, or other collecting agents who may substitute their certificates for the certificates of owners under the foregoing plan will be required to keep a complete record of all such transactions and substitutions of certificates, showing all certificates for which the collecting agents' certificates have

been issued in lieu of the owners' certificates.

This record should be kept by months and should give the following information:

Serial number of item received.

Date received.

Name of person from whom received.

Address.

Name of debtor corporation. Class of bond from which coupons were cut.

Face amount of coupons collected.

Deductions from tax claimed by owners under paragraph C of Federal income-tax law.

Deductions from tax casalics paragraph C of Federal income-tax law.

Amount of interest collected.

Until the further ruling by this department, the banks, bankers, and other collecting agents who may substitute their certificates for the certificates of owners under the foregoing plan will not be required to secure a license from the Treasury Department for being permitted to make such substitutions of their own certificates for those of the owners, provided these regulations are strictly complied with.

The permission to banks, bankers, and collecting agents to substitute their own certificates under the above regulations for those of the owners of the bonds, etc., will extend to responsible banks, bankers, and collecting agents in foreign countries, as well as to those in the United States.

W. H. OSBORN,

Commissioner of Internal Revenue.

Commissioner of Internal Revenue.

Approved November 28, 1913.

W. G. McADOO, Secretary of the Treasury.

#### (T. D. 1904.)

Supplemental Regulations Relative to Duly Authorized Agent's Authority to Sign Certificates of Ownership which Accompany Coupons or Registered Interest Orders when Presented for Collection.

Treasury Department.

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

Certificates of ownership which are required to accompany all coupons or registered interest orders under regulations made in pursuance of section 2, act of October 3, 1913, may be signed in the name of the owner of the bonds, by his duty authorized agent, and the said certificates shall give the full name and decrease of both the corrections of the control of the address of both the owner and his authorized agent

If the person, firm, or organization to whom the certificate thus signed is presented for collection is reasonably satisfied as to the identity and responsibility of the person signing as duly authorized agent,

he or it shall stamp or write on the face of said certificate, "Satisfied as to identity and responsibility of agent," giving name and address of person thus cerpersons, firms, or organizations to whom presented, without requiring further evidence as to authority of agent.

If the person, firm, or organization first receiving certificate of ownership signed by an agent is not satisfied or cannot satisfy himself or itself as to the agent's identity and responsibility, then, in that event, the authorized agent shall furnish evidence of his authority so to act, which evidence will be retained by the person, firm, or organization receiving it, and the certificate of ownership shall then be endorsed as provided herein. provided herein.

W. H. OSBORN, Commissioner of Internal Revenue.

Approved:

W. G. McADOO, Secretary of the Treasury.

#### (T. D. 1905.)

#### Income Tax.

Supplemental regulations relative to partnerships.

Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

Inasmuch as individual members of a partnership are liable for income tax upon their respective interest in the net earnings of said partnership and are required to include said net earnings in their personal returns, the partnership may file with the debtor corporation, or with a withholding agent, a notice, signed in the name of the partnership, by a member thereof, claiming a deduction of a specific amount on account of the legitimate expenses (not including the personal or living expenses of the partnersh incurred in conducting the business of said partnership, and, upon receipt of said notice, said withholding agent shall not withhold, and shall not be held liable for, the normal tax on the amount of income equal to the amount of deduction claimed in said notice, but in no event shall the total of the amounts claimed, as provided herein, be in excess of the total amount of the actual legitimate annual expenses incurred by said partnership in the conduct are liable for income tax upon their respective interpenses incurred by said partnership in the conduct of its business. Application for such deduction shall be made in substantially the following form:

#### Form 1011.

## Form of Certificate to be Filed with Withholding Agents by Partnerships Claiming Deductions.

...., a member of the firm or partnership of ...., of ...., of .... (Give character of business ....., and residing at (Give full address.) conducted by partnership.) said partnership is the owner of \$..... bonds of said partnership is the owner of \$...... bonds of the denomination of \$..... each, Nos...... of the ...... known as .................. bonds, from which were deticular issue of bonds.) tached the accompanying interest coupons due. \$..... of income.

We hereby claim a deduction of \$...... allowed on account of the actual expenses incurred in conducting said business, under regulations made in pursuance of section 2, act of October 3, 1913, and do solemnly declare that neither the partnership nor its individual members has claimed deductions in excess of its total actual legitimate annual expenses of con-

ducting the business of said partnership, and that no portion of the living or personal expenses of the partners is included in the deductions claimed.

OF

Name of signing partner..... For ..... (Name of partnership.)

Address ..... Date...., 191...

Partnerships are not subject as partnerships to the income tax and are required to make statements of their income and earnings as partnerships only when requested to do so by the Commissioner of Internal Revenue or the collector of internal revenue for the district in which said partnership has its principal place of business, and when such a statement is required, as aforesaid, the said statement shall give a complete and correct report of the gross income of the said partnership and also a complete account of the actual legitimate annual expenses of conducting the business of said partnership (not in-cluding living and personal expenses of the partners) and the net profits and the name and address of each

and the net profits and the name and address of each of the members of said partnership and their respective interest in the net profits thus reported.

The net annual income of a partnership when apportioned and paid to the members thereof, shall be returned by each individual partner receiving same, in his annual return of net income, and the tax shall be paid thereon by said individual partner, as required by law.

When the annual income of a partnership is not

When the annual income of a partnership is not When the annual income of a partnership is not distributed and paid to the members thereof, the respective interest of each member in said profits shall be ascertained, and the individuals entitled thereto shall include the said amount in their annual return as part of their gross income, the same as if said profits had been distributed and paid to them.

Undivided annual net income of partnerships thus returned by the individual members thereof, upon which the tax shall have been paid, shall not when said profits are actually distributed and paid to the partners, be again included in their annual return as a part of their gross income.

Foreign partnerships or firms, all the members of

Foreign partnerships or firms, all the members of which are both citizens or subjects and residents of a foreign country, which are the owners of bonds and mortgages or deeds of trust or other similar obligations, including equipment trust agreements, receivers' certificates, and stocks, of corporations, joint-stock companies or associations and insurance companies, organized or doing business in the United States, may file with the debtor or withholding agent, with their coupons or orders for registered interest, or orders for other income derived from property or investments in the United States, certificate and notice of ownership, setting forth the facts as to non-residence and alienship, and the debtor or withholding agent shall not withhold any part of their said income. Foreign partnerships or firms, all the members of their said income.

Where a foreign partnership or firm is composed of both non-resident foreigners and citizens of the United States, or foreigners resident in the United United States, or foreigners resident in the United States or its possessions, the certificate of ownership shall show this fact, and the name and legal address of each member of said partnership, who is a citizen of the United States or who is a foreigner residing in the United States or its possessions, shall be given on the said certificate, and no part of said income shall be withheld by the paying agent.

The said certificate and notice of ownership shall be insulated to the said certificate and said certificate and said the said certificate and said certificate an

be in substantially the following form:

#### Form 1014.

Form of Certificate to be Presented with Coupons or Interest, or other Income Orders, Detached from Bonds or other Obligations Owned by Partner-ships or Firms of Foreign Countries.

..... a member of the firm or partnership of ....., of ...., and residing at ....., do solemnly declare that (Give full address.)

the said partnership is the owner of \$..... bonds of the denomination of \$.... each, Nos.....

of the .....(Give name of debtor.) ....., known as

(Describe the particular issue of bonds.) were detached the accompanying interest coupons, due except ....

(Give name and address of partners not non-resident ., are non-resident foreigners and as such are

exempt from the income tax imposed on such income by the United States Government under the law en-acted October 3, 1913, and that no citizen of the United States, wherever residing, or foreigner resid-ing in the United States or any of its possessions, except those named above, has any interest in said bonds, coupons, or interest.

Name of partner signing......

For ..... (Name of partnership..)

Address .....

Date...., 191...

W. H. OSBORN, Commissioner.

Approved:

W. G. McADOO,

Secretary of the Treasury.

#### (T. D. 1906.)

#### Income Tax.

Supplemental regulations designating guardians, trustees, executors, administrators, agents, etc., as the "source" for purpose of collecting income tax and as to making annual and list returns and withholding tax.

#### Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

Guardians, trustees, executors, administrators, agents, receivers, conservators, and all persons, corporations, or associations acting in any fiduciary capacity hereinafter referred to and known as the fiduciary, who hold in trust an estate of another person or persons shall be designated the "source" for the purpose of collecting the income tax, and by filing the following notice with other debtors or withholding agents, said fiduciary shall be exempt from having any income due to them as such, withheld for any income tax by any other debtor or withholding agent. agent.

other debtors or withholding agents, upon receipt of this notice, shall refrain from withholding any part of such income from said fiduciary and will not, in such case, be held liable for normal tax of 1 per cent. due thereon. The form of notice to be filed with the debtor or withholding agent by the fiduciary shall be substantially as follows:

### Form of Certificate to be Filed with Debtor or With-holding Agents by Fiduciaries.

The following form of certificate should be filed The following form of certificate should be filed with the debtor, or its paying agents, at the time of the payment to the fiduciary, or his representative, of all coupons, interest orders, rents, and all other kinds of income whatsoever upon which the tax on income is required to be withheld at the source.

(Name fiduciary.) for the beneficiaries (Indicate in what capacity acting.)

of the estate or trust of .....

estate or trust is entitled to the income from \$ bonds of the denominations of \$ each, Nos
of the
(Give name of debtor.)
known as bonds (Describe the particular issue of bonds.)
from which were detached the accompanying coupons due 191, amounting to \$
or upon which there has matured
Acting for and in the capacity as stated herein I (we) hereby assume the duty and responsibility imposed upon withholding agents under the law, owithholding and paying the income tax due, for which I (we) may be liable, and acting in said fiduciar capacity as stated herein, I (we) do hereby clair exemption from having the normal tax withheld from said income.
(Name.) (Capacity in which acting
Address
Date:, 191
-

#### Returns Made by Fiduciary Agents.

Said fiduciaries shall, on or before March 1 of each year, when the annual interest of any beneficiary

Said fiduciaries shall, on or before March 1 of each year, when the annual interest of any beneficiary in said income is in excess of \$3,000, make and render a return of the income of the person or persons for whom they act to the collector of internal revenue of the district in which the fiduciary resides.

This return shall give an itemized statement of the gross income and deductions claimed and shall be in the same form as prescribed for annual return made by individuals.

Said fiduciary acts for and in behalf of the beneficiaries of said trust, and the annual return required as above in behalf of said beneficiaries has reference only to the income accruing and payable through said fiduciary, and not the income of said beneficiaries from other sources, unless the said iduciary is legally authorized to act for said beneficiaries in their individual capacity, in which case said fiduciary, acting as duly authorized agent of the individual, shall also make the personal annual return as provided by law.

There shall accompany the annual return of said fiduciary a list giving the name and full address of each beneficiary and the share of said income to which each may be entitled.

#### List Returns Filed by Fiduciary Agents.

Fiduciary agents, in addition to the annual return of income required by these regulations, shall make an annual list return, as provided by regulations for withholding agents, whenever payments of income to any beneficiary are in excess of \$3,000. Said list return shall be made on or before March 1 of each year to the collector of internal revenue for the district in which said fiduciary resides or has his principal place which said fiduciary resides or has his principal place of business, giving name and address of each beneficiary of said trust, to whom annual income in excess of \$3,000 is paid, the amount of income paid to each beneficiary, giving source of income, the amount of exemption claimed by each beneficiary, if any, and the amount of income withheld for tax, and the said list return shall be signed by the fiduciary making same, stating in what capacity acting, and give his name and full address.

Fiduciaries having an annual income that is not distributed or paid to the beneficiaries of the trust under which said fiduciary acts shall make an annual list return, as provided herein, and said list return

list return, as provided herein, and said list return

shall show the name and address of each beneficiary having a distributive interest in said income in excess of \$3,000, stating the distributive amount of each beneficiary, and shall give all information as required beneficiary, and shall give all information as required in said list returns, and shall withhold and pay to the collector, as provided by law, the normal tax of 1 per cent. upon the distributive interest of each of said beneficiaries in excess of \$3,000, the same as if said income was actually distributed and paid; exemption under paragraph C, however, may be claimed by the beneficiary or his legal representative by filing his claim for exemption with the fiduciary agent.

When the fiduciary agents deduct, withhold, and pay the normal tax on undivided annual net income as provided herein, they shall not be required to withhold and pay again the normal tax on said income when actually distributed and paid to said beneficiaries, nor shall the beneficiaries be required again to pay the normal tax on the amounts on which the tax has been paid when such amounts are distributed.

Where the normal tax is withheld and paid by fiduciary agents on undivided annual income, beneficiaries (or their legal representatives) in whose behalf said tax is paid may file notice with said fiduciary and claim the benefit of any annual exemption they may be entitled to under paragraph C of the act of October 3, 1913, as provided by regulations, the same as if their distributive interest in said income was actually paid. come was actually paid.

W. H. OSBORN, Commissioner of Internal Revenue.

Approved:

W. G. McADOO,

Secretary of the Treasury.

#### (T. D. 1907.)

#### Income Tax.

Supplemental instructions as to acceptance of certificate Form 1,000 as originally prescribed in regulations of October 25, 1913; and the original and amended Form 1,000 as it has been adapted to the use of fiduciary agents; and certificate Forms 1,001, 1,003 and 1,004 as they have been adapted to the use of foreign organizations and partnerships.

#### Treasury Department,

Office of Commissioner of Internal Revenue, Washington, D. C., November 26, 1913.

Certificates of ownership, Form 1000, as originally prescribed in regulations of October 25, 1913, shall be accepted by debtors or withholding agents when properly filled in and signed by the owner of the bonds or his duly authorized agent until December 10, 1913, and after that date only the amended Form 1000, as prescribed by regulations, shall be accepted.

Form 1000, original and amended, as it has been

adapted to the use of guardians, trustees, executors adapted to the use of guardians, trustees, executors, administrators, agents, receivers, conservators, and all persons, corporations, or associations acting in a fiduciary capacity, when properly filled in and signed and giving the information required by the regulations, shall be accepted by debtors or withholding agents until regulations giving a prescribed form of certificate of ownership for fiduciary agents are issued, and for thirty days thereafter.

Forms 1001, 1003, and 1004, as they have been adapted to the use of foreign organizations and foreign nartnerships, when properly filled in and signed.

eign partnerships, when properly filled in and signed and giving the information required by regulations, shall be accepted by debtors or withholding agents until regulations giving a prescribed form of certificate of ownership for foreign organizations and foreign partnerships are issued, and for thirty days thereafter.

W. H. OSBORN. Commissioner of Internal Revenue.

Approved:

W. G. McADOO.

Secretary of the Treasury.

#### (T. D. 1908.)

#### Income Tax

Regulations prescribing form of certificate to be furnished by foreign organizations not engaged in business in the United States and not subject to the income tax on interest or other income collectible at the source.

#### Treasury Department,

Office of the Commissioner of Internal Revenue, Washington, D. C., November 28, 1913.

The certificate to be furnished by foreign organizations not engaged in business in the United States shall be in substantially the following form:

#### Form 1016.

#### Certificate to be Furnished by Foreign Organizations Not Subject to Tax on Interest or other Income at Source.

(Give official position.) (Give name.)

do solemnly declare that said ...

is a foreign organization, not engaged in business in the United States, and is the owner of \$..... bonds of the denomination of \$..... each, Nos......

....., known as .....,

(Give name of debtor.)

(Describe particular issue of bonds.)
bonds, from which were detached the accompanying
coupons, due . . . . , 191 . , amounting to \$ . . . ,
or upon which there matured . . . . . 191 . .

\$....., of registered interest, or is the owner of (Property or investments.) of October 3, 1913, said organization being a foreign organization, said interest or income is exempt from the payment of taxes collectible at the source, which

exemption is hereby claimed. Date...., 191.. Address ....

(Post office.) Name .....

(Official position.) (Name of organization.)

W. H. OSBORN, Commissioner of Internal Revenue.

Approved November 28, 1913.

W. G. McADOO, Secretary of the Treasury.

#### (T. D. 1909.)

#### Income Tax.

License required for collection of income received from foreign countries.

Supplemental Regulations as to Making Application, Filing Bond, and Issuing License to Collecting Agencies of Income from Foreign Countries.

Washington, D. C., November 28, 1913.

All persons, firms, or corporations undertaking, for accommodation or profit (this includes handling either by way of purchase or collection), the collection of coupons, checks, bills of exchange, etc.,

- (a) for or in payment of interest upon bonds issued in foreign countries, and
   (b) upon foreign mortgages or like obligations,
- and
- (c) for any dividends upon stock or interest upon obligations of foreign corporations, associations, or insurance companies engaged in business in foreign countries.

who are required by law to obtain a license from the Commissioner of Internal Revenue, shall make appli-cation to the collector of internal revenue for the district in which they do business, for such license in the following form:

RM OF APPLICATION FOR LICENSE FOR THE COLLECTION OF INCOME FROM FOREIGN COUNTRIES. FORM OF

#### Form 1017.

United States Internal Revenue.

### Application for License for Collection of Income from Foreign Countries.

State of The undersigned, ..... (Name.) (Office.)

(State name of person, firm, or corporation.) estimated at \$.

The location of the principal and branch offices is as follows:

Principal office ..... Branch offices ..... (If a firm, state names of members).....

Said person, firm, or corporation is now engaged in business as. desires to conduct the business of collecting foreign income at the above address or addresses, and hereby makes application for the license required to be secured by persons, firms, or corporations engaging in the business of collecting income from foreign countries under the provisions of paragraph E of Section II of the income-tax law of October 3, 1913, and I (we) hereby promise and pledge myself (ourselves) to comply strictly with the provisions of said law and the rules and regulations of the Treasury Department which have been transportations. which have been or may hereafter be issued in respect to the collection and payment of such foreign income.

Signed..... For. (Name of firm or corporation.)

Sworn to before me this .... day of ...., 191...

The collector of internal revenue, upon receipt of such application, shall satisfy himself that the person, corporation making application is considered to be of good character and business standing and may require that he or they shall be able to show a financial rating in one or more of the recognized mercantile agencies of the United States, equal to at least one-tenth of the estimated amount of annual collections of foreign income as stated in the application.

The collector of internal revenue having thus sat-

isfied himself of the business and financial reliability of the person, firm, or corporation making applica-tion for license, may issue the license without requir-ing a bond for the faithful performance of duty and

compliance with the law and regulations.

In cases where the person, firm, or corporation shall fail to satisfy the collector of internal revenue of his or their business or financial reliability, the collector may refuse to issue license or may issue a license upon the applicant filing a surety bond satisfactory to the Commissioner of Internal Revenue for a penal sum equal to two per cent, of the estimated amount of collections stated in the application, the minimum penal sum, however, to be \$1,000, and the maximum not in excess of \$100,000.

The bond, when required, shall be executed in duplicate, one of which shall be retained in the office

of the Collector of Internal Revenue with whom the bond is filed, and the other shall be forwarded by the collector to the Commissioner of Internal Revenue at Washington, D. C.

The form of license to be issued shall be as

follows: Form 1010.

No.....

Treasury Department, Office of the Commissioner of Internal Revenue.

License for Collection of Foreign Income.

...., located and doing business at

..... and engaged in the business associations, or foreign insurance companies engaged in business in foreign countries, from .........

191... until revoked. This license will not be valid until countersigned by the collector of internal revenue for the district

in which issued.

Commissioner of Internal Revenue.

Countersigned:

d

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y d

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e

Collector. ..... Dist., ......

This license, made up in the form of bound books containing 50 each, with appropriate stubs, will be furnished in blank to the collectors of internal revenue, with the facsimile signature of the Commissioner of Internal Revenue thereon, and shall not be valid until countersigned by the collector of internal rev-

until countersigned by the collector of internal revenue by whom issued.

This license may be issued without cost to the persons to whom issued and shall continue in full force until revoked. Failure to give or renew the bond in cases where a bond is required will automatically revoke the license.

In cases where licenses are issued without bond, the collector shall, at stated yearly periods, inquire into and satisfy himself of the financial responsibilall licensees.

When any person, firm, or corporation has branch offices and desires to collect said foreign interest or dividend income through said branch offices, the application for license or licenses shall be made (and bond furnished, when a bond is required) by the person, firm, or corporation through its principal office

for its branch office or offices.

The bond in such cases shall be based on the total amount of such foreign business transacted by both the home office and its branch office or offices.

This application for licenses shall be made (and bond furnished, when bond is required) to the col-lector of internal revenue for the district in which the principal or home office is located. The names and addresses of the branch offices shall be furnished to the collector in the application of the said principal, and if the requirements of the Bureau of Internal Revenue are complied with to the satisfaction of the said collector, then said collector shall certify this fact to the collector of internal revenue for district in which the branch office for which the license is desired is located, and the collector to whom this certification is made shall thereupon issue

a license as provided herein to such branch office.

No bond will be required in any case for the month of December, 1913, but the required license may be issued by collectors of internal revenue im-

may be issued by collectors of internal revenue immediately upon receipt of the blank licenses in all cases where the applications for licenses which may have been filed shall have been duly approved.

The bond, if required, must be filed for the calendar year 1914 and for each calendar year thereafter. All bonds must be renewed or new bonds furnished on or before January 1 of each successive year. The applications for these licenses and the stubs of the licenses issued shall be retained and preserved

in the offices of the collectors of internal revenue.

W. H. OSBORN. Commissioner of Internal Revenue.

Approved November 28, 1913. W. G. McADOO, Secretary of the Treasury.

#### OPINIONS OF GENERAL COUNSEL.

#### Summary of Questions Received and Opinions Rendered to Members of the Association.

#### CASHIER'S TESTIMONY AS TO CUSTOMER'S BALANCE.

In a proper legal proceeding against a customer, the bank's officer can be compelled to state the amount of his balance, the information not being privileged in a legal sense—Case differentiated from those where wholesale disclosure of all depositors' balances is sought for tax purposes, wherein right to compel disclosure has been denied. denied.

From Virginia.—Our cashier has been summoned to appear in court to testify to the amount to the credit on our books of one of our customers, in a suit brought against him. Now, we wish to know if he will be compelled to answer this question, and would like to have your opinion on it. The account has been attached in our hands, but we are under the impression that we can not be compelled to state the amount due or to not be compelled to state the amount due, or to in any way give information about a customer's account.

I think where a banker is summoned as a witness in an action against a customer and is asked to state the amount to his credit on a given date, that the banker can be compelled to answer the question and caprot refuse on the ground that the lateraction is cannot refuse on the ground that the information is in the nature of a privileged communication. There is an English decision directly to this effect, Loyd v. Freshfield, 2 C. & P. 325. Based upon this decision, Morse in his work on Banking (§294a) says: "It is unquestionable that a banker summoned as a witness —a fortiori summoned as a garnishee—must declare the balance of his customer at any given date. The fact or knowledge cannot be regarded as a 'confidential communication.'

In the Journal of the Association for February, 1913 (pages 515-517), I published an opinion based on an examination of the authorities, to the effect that a bank officer would be protected from being compelled to make a disclosure of the names of depositors in gross and amounts of their deposits in a proceeding to that end brought by tax commissioners under the authority of a State statute and showed that acts of legislatures authorizing such proceedings had been held unconstitutional by the courts. But I stated the opinion that a proceeding of this kind was to be differentiated from one against an individual customer or customers of a bank in which case the bank officer would doubtless be compelled to testify. I officer would doubtless be compened to testify. I cited in addition to Loyd v. Freshfield, the decision of the Supreme Court of Kansas, in re Davies, 68 Kan. 791, wherein a grand jury was investigating the conduct of a customer of a bank to determine whether conduct of a customer of a bank to determine whether he had committed perjury in making return under oath to the assessor of a county. The cashier of the bank was called as a witness and having refused to state the amount the customer had on deposit on a given day, was adjudged guilty of contempt, fined and imprisoned. He brought a proceeding in habeas corpus, insisting that he should be discharged because the matter concerning which he was interrogated was the matter concerning which he was interrogated was

privileged, but the Supreme Court of Kansas held it was not against public policy to require a banker to disclose the amount of a depositor's balance, nor were the transactions between a banker and depositor privileged or confidential in a legal sense. The court said: "That to compel a disclosure from the witness would be an unreasonable search for and seizure of the depositor's property is untenable. To obtain in-formation from a witness of the amount and location of another's money or property cannot come within the constitutional inhibition against unreasonable searches and seizures. There was nothing confidential in a legal sense between Davies, the banker, and his depositor, which would allow the former to assert that the business transactions between them were

OF

It is a frequent proceeding in a suit by A against B. to garnish the bank in which B keeps his account and compel an answer by the bank as garnishee of the amount which it is indebted to B on deposit account; amount which it is indebted to B on deposit account; and while the decisions in this country on the precise point of inquiry are not numerous, I think that a bank officer, summoned as a witness in a suit against one of its depositors, can be compelled to answer as to the amount to the credit of such depositor on a given date as the country of the co given date, as the courts do not recognize that the information which the bank possesses is of a confidential or privileged nature in the sense that its disclosure cannot be compelled in a proper legal pro-

ceeding.

#### SLANDER OF BANK.

Person uttering false and derogatory statement that bank has closed may be prosecuted under "de-rogatory statement" act—Bank also can maintain action for slander.

From Pennsylvania.-We have had a question arise on which I am not quite clear. Our bank published call of October 21st, and a Polish hotel man read same as follows: "The First National Bank closed on October 21st." He uttered same in his public room. He called it to the attention of friends that the "bank was closed." He called of friends that the bain was closed to reason with him as to his error. He would not listen. I went on one of our friends who tried to reason with him as to his error. He would not listen. I went to him personally and he said he did not care. He had no money in the bank. He is a borrower. The result has been we have lost many accounts. Have we cause for action? We believe it will be the best to press the matter for sake of example but do not know our rights.

It would seem that the hotel man could be punished at would seem that the note man could be punished criminally for making public utterance of the derogatory and untrue statement that the First National Bank "has closed" under the provisions of an act, advocated by our Association and passed in Pennsylvania in 1909 (No. 121) as follows:

"Any person who shall make, utter, circulate or transmit to another or others any statement, untrue in fact, derogatory to the financial condition of any bank, banking house, banking company, trust company, surety company, guarantee company, title insurance company or other financial institution in this Commonwealth with intent to injure any such financial institution or who shall counsel, aid, procure or induce another to originate, make, utter, transmit or circulate any such statement or rumor with like intent, shall be such statement or rumor with like linear, shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five thousand dollars and by imprisonment at hard labor for a term not exceeding five years."

I would suggest that you bring this statute and the facts of the case to the attention of the prosecuting

officer of your county for proper action.

There might also be a civil action of slander by your bank against the offender for damages. Defamatory words, whether oral or written, imputing to a person insolvency, bankruptcy or a want of credit are generally held actionable per se; that is to say, without the necessity of proving actual damage.

for example, People's United States Bank v. Goodwin. . (Mo.) 220, wherein it was held that a bank or other business corporation may maintain an for a libel which affects its pecuniary interests by casting an imputation on its solvency or the honesty of its management. See also International Text Book Company v. Leader Printing Company, 188 Fed. 86, in which the court says that the law seems to be well settled that where a libel contains an imputation upon an individual or corporation in respect to its business, the same becomes libellous per se, and in an action it is not necessary to allege special damages.

BANKERS

While these are cases of libel or written defamation, I think the same rule applies to oral defamation and that a corporation has a right of action equally as an individual who has been slandered.

#### TWENTY-FOUR HOURS FOR ACCEPTANCE.

Rule allowing drawer twenty-four hours to decide whether to accept, not applicable to checks or demand drafts, but only to drafts legally presentable for acceptance.

From Kansas.-In the case of protest, sight draft items sent us for collection, or sight drafts coming to us as cash items, may the drawee be given twenty-four hours to decide whether he will pay the item or not? The negotiable instruments law of Kansas gives drawee twenty-four hours in which to accept, but does this mean simply to accept by written acceptance, and not the deciding whether to pay or not?

The Negotiable Instruments Law provides:

Sec. 136. The drawee is allowed twenty-four hours after presentment, in which to decide whether or not he will accept the bill; but the acceptance, if given, dates as of the day of presentation.

Sec. 137. Where a drawee to whom a bill is de-livered for acceptance destroys the same, or refuses within twenty-four hours after such delivery, or within such other period as the holder may allow, to return the bill accepted or non-accepted to the holder, he will be deemed to have accepted the same.

The better opinion is that these sections do not apply to checks or drafts payable on demand which are properly presentable for payment only and not for acceptance. Under the law merchant when a bill was presented to the drawee, he was allowed twenty-four hours to determine whether or not he would accept; but this rule was held not to apply to checks nor to drafts payable on demand but only to drafts legally presentable to the drawee for acceptance. The above sections of the Negotiable Instruments Act were insections of the Registrate risk thinest Act were in-tended to be declaratory of the law merchant in this regard, but the Supreme Court in Pennsylvania in Wisner v. Bank, 220 Pa. 21, held that the twenty-four hour rule of the Negotiable Instruments Act applied to checks and that where a check was sent to a drawee bank which failed to return it within twentyfour hours, the bank had accepted the check. decision was so contrary to commercial understand-ing that the Pennsylvania legislature subsequently passed an act in 1909 which provided that the section in question should not apply to checks.

To the contrary of the Pennsylvania decision, the United States Circuit Court of Appeals, 8th Circuit in First National Bank v. Whitmore, 177 Fed. 397, has held that the twenty-four hour section of the Negotiable Instruments Act does not apply to checks and this will undoubtedly be the prevailing rule. The Court said: "Freentment for payment and presentment for acceptance are two different acts, well known to the law of .... tiable instruments. Presentment for payment cannot be made until the instru-ment presented for payment is due. Presentment for acceptance must be made before the instrument pre-sented for acceptance is due."

Specifically answering your question, therefore, where sight drafts are sent you for collection or come to you as cash items (such instruments as I under-

stand not carrying grace under the Negotiable Instruments Act of Kansas but being payable on demand) the drawee is not given twenty-four hours to decide whether he will pay the draft or not but he must pay or refuse to pay upon demand. It is only in case of those drafts which are legally presented for acceptance that the twenty-four hour rule applies.

#### WRONGFUL DISHONOR OF CHECK.

Recent decisions upon the subject of liability of a bank for wrongfully dishonoring its customer's check.

From Mississippi.—In the Journal of the Association for June, 1912, I note you made a compilation of all the decisions on the question of the liability of a bank for wrongfully dishonoring its customer's check. I am very much interested in this question at the present time and would ask if since that publication there have been any further decisions on the subject.

Decisions upon the subject of the liability of a bank for wrongfully dishonoring its customer's check, subsequent to those published in the Journal for June, 1912, have been rendered in the following cases:

1. Levine v. State Bank, 141 N. Y. Supp. 596. In this case the New York Supreme Court, Appellate Term, First Department, holds that a depositor whose check is wrongfully refused payment may recover damages for injury to his credit and that the Trial Court erred in excluding evidence as to injury to credit, for which error a judgment in favor of the bank was reversed.

2. Siminoff v. Goodman Bank, 121 Pac. (Cal.) 939. This was an action by a depositor to recover damages for dishonor of his check and a judgment for defendant bank on the ground that the complaint did not constitute a cause of action as reversed. It was held in this case that the Civil Code of California which provides that the detriment caused by breach of an obligation to pay money only shall be the amount due with interest, does not limit the banker's liability for wrongfully dishonoring his customer's check, and that the depositor is entitled to recover damages for injury to his credit.

3. Reeves v. First National Bank of Oakland, 129 Pac. (Cal.) 800. In this case a judgment awarding \$300 damages was affirmed. It appeared that the form of signature left with the bank was "R. E. Reeves Co., R. E. Reeves, J. A. Wadsworth." The signature card read "both signatures required." The check in question was signed "R. E. Reeves" and "J. A. Wadsworth" which was not strictly according to the form left with the bank, but previous checks so signed had been paid.

4. Winkler v. Citizens' State Bank, 131 Pac. (Kan.) 597. In this case the depositor had \$2,000 on general deposit and issued his check for the full amount, which was refused payment by the bank and caused to be protested. Payment was refused because the cashier thought the money belonged to a third party. The depositor sued the bank to recover the money and for damages. The jury found for the plaintiff \$2,000, the amount of the deposit, \$135 interest thereon, \$365 actual damages and \$135 exemplary damages and judgment was entered thereon. Supreme Court ordered this judgment to be modified by reducing the same \$135 and when so modified it was affirmed. It held there was no evidence that in the refusal of payment the bank was guilty of fraud. malice, oppression or of any wrongful purpose that would make it liable for exemplary damages.

#### FAILURE OF COLLECTING BANK.

Where check on Louisiana, deposited in Mississippi bank for collection is forwarded to a Louisiana bank, which forwards to a second Louisiana bank, which latter collects from the drawee and then fails, opinion that under the law of Mississippi depositor cannot hold Mississippi bank liable but must look to first Louisiana bank which, under law of that state, is liable for default of its correspondent—If, however, Mississippi bank became owner of check at time of deposit, amount cannot be charged to depositor and bank itself must look to first Louisiana bank.

From Mississippi.—Kindly render us your opinion on the following case: Our customer A, in the regular course of business, deposits for credit a check on a bank B, in Louisiana. We send this check to our correspondent C in New Orleans, who send same direct to their correspondent D, there being two banks in town B. Bank D presents check to bank B, collects same, and remits to bank C in New Orleans. Bank D in the meantime falls and check remitted to bank C is not good. Now bank B is perfectly solvent, has paid the drawer's check and charged to his account. Our correspondent C charges our account back with the amount of the check. We credit their account and verbally notify our customer of the circumstances, hold the amount in cash items for a short while, and later charge his account, to which he objects, claiming he is not liable, that the check he gave us has been paid, and he is not responsible for our collection agents. We claim that we accept all out of town checks subject to final payment, etc. We would thank you for a reply giving reference to court decisions governing such cases.

It has been held in Mississippi, in Third National Bank of Louisville v. Vicksburg Bank, 61 Miss. 112, that where paper is deposited in bank for collection the depositary bank merely undertakes to use due care in selecting a subagent and in transmitting the paper, and if it exercises such care it is not responsible for the acts or defaults of the subagent or of a correspondent of such subagent. To the contrary it has been held by the Supreme Court of Louisiana, in Martin v. Hibernia Bank & Trust Company, 127 La. 301, that a bank receiving a check for collection is liable to the depositor for any loss occasioned by the conduct of any subagent employed by it to assist in making the collection.

Under these decisions, assuming you received the check from your customer for collection, he could not hold you liable under the law of Mississippi for the default of the subagent who collected the check but must look directly to the New Orleans bank, C, to whom you forwarded the paper. Under the law of Louisiana the C bank would be liable for the default of its subagent D.

If, however, the check was not taken by you for collection, but as a cash item, you taking title and becoming owner at time of deposit, then, it having been collected, you would have no right to charge it back to your customer, but must yourself look to C bank for the proceeds. In view of what you say, however, that you accept out of town checks subject to final payment, it would appear that you took this check for collection as agent, and this being so it would seem that you could charge it back and that your customer must look directly to the C bank for the money.

#### REVOCATION OF CHECK BY DEATH.

OF

Under the Negotiable Instruments Act a check is not an assignment and death of the drawer revokes the authority of the bank to pay his outstanding checks, in the absence of a special statute authorizing the bank to pay within a limited period after death.

From South Dakota.—I will appreciate your opinion on the following questions: Is it not true that under our present laws in South Dakota we have no authority for paying the check of a deceased party, which check was issued prior to his death? Also was our authority for paying such a check in the past based upon the fact that at that time our courts held a check to be "an assignment of funds?"

The Negotiable Instruments Act of South Dakota provides: "A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check"

to the holder, unless and until it accepts or certimes the check."

Under this, when the drawer dies, his death revokes the authority of the bank to pay his outstanding checks. There are a few States in which special statutes exist authorizing the bank to pay such checks within a limited period after death of the drawer; but there is no such statute in South Dakota. Therefore, your assumption is correct that under your present law the bank has no authority to pay the check of a deceased party after his death. Before the enactment of the Negotiable Instruments Act in South Dakota, the Supreme Court of your state held that the giving of a check constituted an assignment of the fund and one of the results of this doctrine was that, the amount having been assigned, the drawer had no right to countermand payment and death of the drawer did not affect the checkholder's right to payment. This doctrine has been overturned by the provision of the Negotiable Instruments Act above quoted.

#### REVOCATION OF CHECK BY DEATH.

Death of the drawer operates as a revocation of the authority of the bank to pay his check.

From Idaho.—Would you kindly give me an opinion as to the following? A man residing in Oregon purchased from a store in Lewiston, Idaho, a gun for which he gave his check on his home bank in Oregon. This bank was in an out-of-the way place and it required several days for the check to be collected. In the meantime the man died and when the check in due course reached the bank upon which it was drawn, its payment was refused by the cashier on the ground that the man was dead and it was a claim to be settled by his administrator. Do you consider the cashier's position under the circumstances tenable?

It is the almost universal rule that death of the drawer operates as an absolute revocation of the authority of the bank to pay upon his check. At the instant of his death, the title to his balance vests in his legal representatives and his own order is no longer competent to withdraw any part of that which is no longer his own property. Before the general enactment of the Negotiable Instruments Act there were some States where the courts held that a check was not simply an order and authority to the bank to pay but it had the further legal effect of operating as an assignment to the holder of the fund drawn against and one of the results of this doctrine was that the holder being the assignee of the fund, the drawer had no right to countermand payment, and his death, following delivery of the check, did not affect the holder's right to receive payment. But the quite general enactment of the Negotiable Instruments Act which provides the rule that a check of itself, does not constitute an assignment has over-

turned the "assignment" rule and as a consequence, a check being a mere order and authority to pay, the rule which almost universally prevails is that death of the drawer revokes the bank's authority and the holder of the unpaid check must look to the drawer's estate. There are two or three States in which special statutes have been enacted providing for payment of outstanding checks of decedents within a limited period after the drawer's death; but I know of no such statute in Oregon.

BANKERS

In view of this, the cashier of the Oregon bank was technically and legally right in his refusal to pay. Of course, when the check was taken by the merchant in Lewiston, the death of the drawer was unforeseen, but when he received an uncertified check in payment he took this risk, equally as every one who takes an uncertified check also takes the risk that payment by the bank may be defeated if the drawer stops payment or withdraws his funds before the check is presented or where the account is attached. In the present case, I trust the estate is responsible and that the only consequence will be a delay in receiving payment.

#### REVOCATION OF CHECK BY DEATH.

In South Carolina, where rule prevails that check is an assignment, a check is payable by a bank to a bona fide holder notwithstanding death of the drawer before its presentation for payment.

From South Carolina.—Will you kindly advise me if the death of a depositor revokes checks drawn by him and delivered but not paid. I understand that a check in this State is an assignment.

Where a check operates as an assignment, it would seem that death of the drawer does not revoke the authority of the bank to pay. For example, in Minnesota, prior to the enactment of the Negotiable Instruments Act in that State which changed the law and provided the "no assignment" rule, it was held in Wasgatt v. First National Bank of Blue Earth, 134 N. W. 224, that a check on a bank is an assignment, and, upon presentation the bank is legally bound to pay, notwithstanding death of the drawer has intervened. In Missouri, also, prior to the enactment of the Negotiable Instruments Act it was held in Lewis v. International Bank, 13 Mo. App. that the death of the drawer does not work a revocation.

The assignment rule has, however, been almost completely done away with in this country by the very general enactment of the Negotiable Instruments Act which provides that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless, and until, it accepts

The assignment rule has, however, been almost completely done away with in this country by the very general enactment of the Negotiable Instruments Act which provides that "a check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless, and until, it accepts or certifies the check." In South Carolina, the Negotiable Instruments Act has not yet been passed and it would appear that the rule that a check is an assignment still prevalls in that State. See Loan & Savings Bank v. Farmers & Merchants Bank, 74 S. C. 210, wherein it was held that the drawer of a check cannot countermand its payment if the check has passed into the hands of a bona fide holder.

It would seem, therefore, that in South Carolina the death of a depositor would not revoke his checks outstanding in the hands of bona fide holders and that the same would be payable by the bank, notwithstanding the drawer's death.

#### BANK SET-OFF.

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Bank has right to appropriate deposit to payment of depositors' matured indebtedness, but in California, if note is secured by mortgage of real or personal property, bank cannot apply deposit until security exhausted.

From California.—We have a past due note of a customer in favor of the bank and payable at the bank. Can we charge the entire amount or

part of it, to his account and be within the laws of this State?

The general rule prevails in California, as elsewhere, that a bank has a right to appropriate a deposit to the payment of the depositor's matured indebtedness; was said in McKean v. German American Savings Bank, 118 Cal. 334, that the reason of the rule ings Bank, 118 Cal. 334, that the reason of the rule does not apply where the bank has security for the indebtedness. In that case the depositor's indebtedness to the bank was upon a note and the bank held a mortgage as security for the note. Upon maturity, the bank applied the balance in reduction of the depositor's indebtedness upon the mortgage note. The depositor assigned his balance and the assignee brought suit against the bank and recovered. The California statute provided that "there shall be but one action for the recovery of any debt or the enforcement of any right secured by mortgage or the enforcement of any right secured by mortgage upon real or personal property, which action must be in accordance with the provisions of this chapter." The court held that by repeated decisions in California where there has been a note and mortgage, there can be but one action and that to foreclose the mortgage; an independent action cannot be maintained on the mortgage, without foreclose the mortgage; and independent action cannot be maintained on the mortgage without foreclose the tained on the note alone, without foreclosing the mortgage. As under these decisions, if compelled to resort to the courts, the bank could not recover against the mortgagor in an independent action on the note but would have to foreclose the mortgage and look to that security primarily, neither could the bank where it does not resort to an action, gain the end of obtaining payment of the note by application of the mortgagor's deposit, without primarily realizing on the mortgage security. The bank must first look to the mortgaged premises as constituting the primary fund out of which the debt secured by the mortgage must be paid; that the security must be first ex-hausted. It said: hausted.

"The reason of the rule that gives to banks the right to appropriate a deposit to the payment of the depositor's matured indebtedness does not apply there the bank has security for that indebtedness. The depositor's matured note, payable to the bank, is equivalent to a check drawn by him on the bank; and the right to charge up his note is practically and the right to charge up his note is practically only exercising the right to charge up his note is practically only exercising the right to charge up his checks, for it is a presumption of law that it was his intent to have the note discharged from his deposit; and there is the reciprocal right of the depositor to have his deposit applied to the payment of the note in the

event of the bank's insolvency.

"But could there be a presumption of such intent when he had secured his note by mortgage? It seems to me the rule contended for would compel a when he had secured his note by hortgage? It seems to me the rule contended for would compel a depositor who is a borrower to avoid keeping a credit account with a bank that held his note secured by mortgage; and if he kept his account elsewhere it would be imperiled by a possible transfer of the secured note to the bank where the creditors were, and, by this short cut, payment would be enforced, wholly ignoring the mortgage, and, I think, enlarging the rule above stated to an unauthorized extent."

In the light of the foregoing, if the past due note of your customer is unsecured, you have the right to apply his deposit thereupon in total or in partial satisfaction; but if you hold a mortgage of real or personal property as security for the note, this right of set-off, under the law of California, seemingly does not exist until the security has been exhausted and an indebtedness remains.

exhausted and an indebtedness remains.

#### ASSIGNMENT OF BANK ACCOUNT.

A deposit account in a national bank or a trust company may be assigned by the depositor like any other debt or chose in action, and the assign-ment is binding upon the bank when notified thereof.

From Pennsylvania.-A difference of opinion has arisen regarding the legality of the assignment of an account in a national bank. The position is taken that an account in a national bank can be withdrawn only by check or an order to pay, and that an assignment of an account in a

national bank by a depositor does not give legal claim to the funds to the assignee. Others take the position that an assignment gives full control of the account, and that the assignor loses all control when the assignment is made. We will thank you to give us your opinion in the matter, whether or not it is legal in Pennsylvania for a national bank to accept the assignment of an account and pay to the assignee, and if it is legal for them to do so, is it compulsory that they acknowledge the assignment and be guided they acknowledge the assignment and be guided accordingly. The same question has arisen regarding deposits in a Trust Company, chartered under the banking laws of the state of Pennsylvania, an affiliated institution with the national bank and we will thank you to give us your opinion regarding the appropriate as a smalled bank and we will thank you to give us your opinion regarding the same questions as applied to the Trust Company.

When a deposit account is opened in a national bank or trust company, the relation of debtor and creditor between bank and depositor is created and the bank is under obligation to pay the deposit upon demand upon the check or order of the depositor in such sums as may be called for. The bank may pay upon an oral order of the depositor if it chooses but it has been held it is not obliged to pay except upon a written order. It was formerly held in many states that the giving of a check for part of the deposit of itself constituted an assignment to the payee of amount called for, but this rule has been supplanted by the provision of the Negotiable Instruments Act check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless and until it accepts or certifies the check." Whether, notwithstanding this provision, the giving of a check for the entire amount of the balance would constitute an assignment, as was for-merly quite generally held even in jurisdictions where the check for part of the amount did not have that effect, need not be now discussed. It has been held in one case, Hove v. Stanhope State Bank, 138 Iowa 39 where a depositor gave his check for the full amount in bank, that, notwithstanding the above quoted provision, the rule did not prevent an action in equity by the checkholder against the bank where it was shown the drawer intended to assign the entire fund to the holder and such assignment would be upheld as against subsequent claimants. balance would constitute an assignment, as was forbe upheld as against subsequent claimants.

The specific question presented is whether an account can be withdrawn from a national bank or trust company other than by check or order to pay; in others words, whether there is anything in the im-plied agreement between bank and depositor which would restrict the depositor to this mode of withdrawal and prevent him from assigning his right to the deposit to another in any legal manner. While the check or written order is the usual mode of withdrawing the deposit from the bank, it is not the only method—an account, for example, may be attached or garnished and the bank compelled by judgment of court to pay the money over—and I know of nothing which would restrict the right of the depositor to assign his entire balance to another by any lawful method of transfer, which assignment would be binding upon the bank after notice. would be binding upon the bank after holice. I doubt if a portion of the account could be thus assigned without the consent of the bank, but it seems clear that the entire indebtedness of the bank to the depositor is the subject of assignment the same as any other debt or chose in action. Of course, the bank would not have the same obligation to the bank would not have the same obligation to the assignee as to its depositor; that is to say, the bank impliedly contracts with its depositor to pay his checks or onders in such amounts as called for, but there would be no such obligation running to the assignee, unless by mutual consent the relation of banker and customer was established between the two and the bank would simply be accountable to

the assignee for the entire amount.

That the depositor may assign his deposit and vest title in the assignee is demonstrated in the line of cases which held that where the depositor makes an assignment of all his property for the benefit of creditors, notice of which is received by the bank

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before acceptance of outstanding checks, the property in the whole amount then remaining to the credit of the drawer passes to the assignee for the benefit of all the creditors and the holders of outstanding checks

all the creditors and the holders of outstanding checks have no priority over other creditors. See Covert v. Rhodes, 48 Ohio St. 66; Bank v. Schuler, 120 U. S. 515.

For decisions generally, which recognize that a right to a deposit, like any other chose in action, may be assigned and becomes effective to the assignee upon notice to the bank, see Fourth St. Nat. Bank v. Yardley, 165 U. S. 634; Hove v. Stanhope State Bank, supra; First National Bank v. Clark, 134 N. Y. 368, where, however, the delivery by the depositor to a third nerson of the deposit slip acknowledging receint third person of the deposit slip acknowledging receipt of the deposit was held not to amount to an assignment; Schollmier v. Schoendelin, 78 Iowa, 426; First National Bank v. Wattles, 8 Kan. App. 136; Foss v. Lowell Five Cent Savings Bank, 111 Mass. 285; Joffe v. Bowery Bank, 31 Misc. (N. Y.) 778.

Replying to your specific question, therefore, it

is legal in Pennsylvania for a national bank to accept the assignment by a depositor of his entire account and pay the same to the assignee and upon receiving notice of such assignment, the bank would be compelled to recognize it and act accordingly. Furthermore, the same rule would apply to a general deposit account in a trust company equally as in a national

#### NECESSITY OF PROTEST AND RIGHT TO FEE.

Where the payees send a note to the bank where payable for collection and the bank causes the note to be protested, it is doubtful if the bank is entitled to the amount expended for protest fee, as in an action on the note by payees against maker, it is not necessary to prove demand and the certificate of protest would have no utility as an item of evidence.

From Alabama.—Will you please furnish your opinion on the following transaction in regard to a collection that was forwarded to us by the

— Machine Company, Atlanta, Ga. They forwarded us a note that a firm of this town gave them for collection. The note was payable at this bank. Nothing was said in their letter in regard to protesting the paper. On account of the fact that the paper was not paid promptly we protested it and returned it to the — Machine Company, requesting that they forward us their draft for protection. draft for protest fees. Please advise us if in your opinion they should pay this fee. They claim they did not instruct us to protest the paper, and for that reason claim they should not pay the protest fee. On the other hand, they did not instruct us not to protest the same. Our argument is that we protested it in order to protect

The Negotiable Instruments Act authorizes protest of inland bills and promissory notes and it is the general custom of collecting banks to protest unless otherwise instructed. The certificate of protest is prima facie evidence of dishonor and is therefore a convenient means of proving dishonor in an action against an indorser and obviates the necessity of personal testimony as to demand and dishonor. In any case, therefore, where a certificate of protest, though not absolutely required except in case of for-eign bills of exchange, would serve the useful purpose of evidence of demand and dishonor, the protest is justifiable and the collecting bank would be entitled to reimbursement of the amount of the fee.

But in the present case there would seem to have been no such necessity. The note was payable at a bank in Alabama, and was forwarded by the payees to the bank for collection. There was therefore no to the bank for collection. There was therefore no indorser to be held by proof of demand and dishonor. The Negotiable Instruments Act provides that "Presentment for payment is not necessary in order to charge the person primarily liable on the instrument; but if the instrument is, by its terms, payable at a special place, and he is able and willing to pay it there at maturity, such ability and willingness are equivalent to a tender of payment upon his part. But except as herein otherwise provided, presentment for payment is necessary in order to charge the drawer and indorsers." Under this it has been held drawer and indorsers." Under this it has been held that presentment for payment is unnecessary to charge the person primarily liable although an instrument is made payable at a particular place, Farmers Nat. Bank v. Venner, 192 Mass. 531; Hyman v. Doyle, 53 Misc. (N. Y.) 597, and it is for the maker of a note payable at a specified place to aver and present that the year ready offered at the time and prove that he was ready and offered at the time and place to pay it. No demand by the holder need be averred or proved. Florence Oil Co. v. First Nat.

Bank, 38 Colo. 119.

In the light of the above, should the payees sue the makers of the note it would not be necessary for them to prove demand at the bank where payable, therefore the certificate of protest would be of no utility to them; and even should the makers prove they had funds in bank to meet the note and therefore a virtual tender of payment which would stop the running of interest and free them from costs, the certificate of protest would not be evidence to prove this, but simply that the note was demanded and payment refused, which might occur even though there were funds in bank to meet it.

There would therefore in the present case seem

to have been no necessity of protest, as the certificate of protest would not be of any utility to the payees in their suit against the makers, and I doubt very much, if a question of this kind were taken to court involving the right of the collecting bank to recover the protest fee from the payees and owners of note, whether the court would hold that the collecting bank was justified in incurring the cost of protest. Disputes over protest fees, although frequent, very seldom get into court, owing to the smallness of the amount involved. German Nat. Bank v. Beatrice National Bank, 63 Neb. 246, however, was a case which had for its sole question the right of a bank to collect a protest fee. In that case the instrument protested was a check which had been given by A to B, who indorsed it to C, who indorsed it to a bank which presented the check and caused it to be protested. The bank sued to recover the amount of the check and protest fees. The District Court gave judgment for the amount of the check, but refused to give judgment for the protest fee. The bank appealed on that point alone and recovered judgment. Under the common law, formal protest of an inland bill of exchange was not authorized, but the Nebraska statute authorized protest of "any foreign, inland or domestic bill of exchange, promissory note or other obligation in writing," and the court held that the check was to be regarded as an inland bill of exchange and that the statute conferred "undoubted authority upon a notary public to protest a local check which has been indorsed by the payee." This case does not touch the point we are considering whether, where the certificate of protest does not serve any useful purpose of evidence in an action against the maker, protest is justifiable and the fee recoverable, except in so far as the language of the court, "which has been indorsed by the payee," might lead to the inference that in a case where there was no party on the paper contingently liable, such as an indorser, there would be no necessity of protest.

In the case presented, where the note is owned by the payees and the certificate of protest would be of no use to them in an action against the makers, I think it doubtful whether, if the question were submitted to a court, the bank would be held entitled to recover the amount expended for an unnecessary protest.

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#### RECOVERY OF MONEY PAID ON FORGED SIGNATURE.

Where drawee pays check bearing forged signature to a holder who has received same in due course, without fraud or negligence, it cannot afterwards recover the money paid-Question of right of recovery not affected by Forged and Raised Check Statute of Oregon.

From Oregon.-Does a bank have a legal right From Oregon.—Does a bank have a legal right to return a forged check to the last endorser after the check has been stamped paid and charged to the drawer's account? We are under the impression that such a decision was rendered some time ago, but local attorneys seem to know

of no such ruling.

Not long ago we cashed a railroad pay check for a stranger, who said he was the payee, sent the check out in the regular way. W credit for the check and the treasurer of ceived credit for the check and the treasurer of the railroad company marked the check "Paid." About three months after we had cashed the check, it was charged back to us and returned by our correspondent. It had developed that the signature of the payee had been forged. We paid the check, and it would seem if it could be returned after three months that the paying bank would have a right to return a check as described in the first paragraph. We would thank you for any information you can give us in regard to these matters.

It was held by the Supreme Court of Oregon in 1911, in First National Bank of Cottage Grove v. Bank of Cottage Grove, 117 Pac. 293, that a bank is bound to know the signature of its depositor and where it pays a check bearing a forged signature on its presentation by another bank, a holder thereof in due course, which has in no way contributed to the fraud and is not guilty of negligence, it cannot on afterwards discovering the forgery, recover the money paid.

Under this a drawee which has paid a forged check to the last endorser and subsequently discovers that it is a forgery, cannot recover the money paid and return the forged check, provided the last endorser is an innocent holder free from negligence. But if it is a case where the check has been merely stamped paid and charged to the drawer's account but the forgery is discovered before the money has been actually paid over, I think, of course, it would have the right to cancel its paid stamp and return the forged check, payment not having been completely made. pletely made.

You refer to the case of a railroad pay check, bearing a forgery of the payee's endorsement, which you cashed and collected and a little more than three you cashed and collected and a little more than three months later the drawee charged it back to your account. You say, if the drawee had a right to recover money paid upon a forged endorsement after three months, it would also seem that the drawee would have a right to recover money paid upon forgery of the drawer's signature.

I presume you have in mind the statute passed by the Oregon legislature in 1907, amended in 1911 by the insertion of the words "or forged endorsement of any check," which, as amended, reads as follows:

"No bank shall be liable to a depositor for the payment by it of a forged or raised check or forged endorsement of any check unless within thirty days after the return to the depositor of the voucher of such payment such depositor shall notify the bank that the check so paid was forged or raised."

This statute, it will be observed, relates to the liability of the bank to its depositor and would have no bearing on the question of the recovery by the drawee bank of money paid upon a forged signature. Aside from this statute, where a bank pays money upon a forged signature it is generally held it can

neither recover from an innocent holder the money paid nor charge the amount to its depositor's ac-count, although there have been decisions in cases where there have been successive or repeated forgeries covering a considerable period where, by reason of the negligence of the depositor in not examining returned vouchers and reporting forgeries, he has been held estopped to question the payment of sub-sequent, but not the first forged check. The statute simply enables the bank to charge to its depositor money paid upon forgery of his signature under certain conditions where otherwise it could not do so, but whether or not in any given case the depositor or the bank must be the loser, the rule of the Cottage Grove case still remains that money paid to a bona fide non-negligent holder of a forged check is not recovereble. not recoverable.

The statute might have a bearing upon the question of recovery of money paid upon a forged en-dorsement. Differing from a forged signature, money paid by a drawee upon a forged endorsement is generally recoverable, but is not chargeable to the de-positor. But the statute provides that if the depostior does not, within thirty days after return of the voucher, notify the bank of the forgery, the bank is relieved from liability to the depositor for such payment. In the case of the railroad pay check you payment. In the case of the railroad pay check you refer to, the depositor may have notified the bank of the forgery of the endorsement within thirty days after return of the youcher, although the bank did not seek to recover the money paid for three months. But assuming a case of money paid on a forged endorsement where the depositor did not notify the bank within thirty days after return of the voucher, according to this statute the bank would be relieved from liability to its depositor for such payment, and then the questions would arise whether (1) the bank, not being responsible to its depositor but being en-titled to charge the amount to his account, it could refrain from doing so and have recourse upon the bank receiving payment, and (2) assuming it should be held the bank was no longer a party in interest and without right of recovery of a payment which it was entitled to charge to its depositor's account, whether the depositor himself would succeed to the right of recovery of money paid upon a forged endorsement in his behalf by his paying agent, the bank Without discussing these questions now, it would seem that the statute referred to would have no bearing upon the question of recovery of money paid upon a forged signature and that under the Cottage Grove decision such money is not recoverable by the drawee where paid to a bona fide, non-negligent holder.

#### LIABILITY OF BANK TO DEPOSITOR FOR PAY-MENT OF FORGED CHECK.

Statute in South Dakota relieves bank from liability to depositor for payment of forged check unless depositor notifies bank of forgery within three months after return to him of forged check as a voucher.

From South Dakota.-In the case of a forged From South Danota.—In the case of a torged check, what is the time in which a customer should return check to bank after having received it with his statement or balanced book, in order to hold the bank responsible?

By statute passed in South Dakota in 1905 it is provided: "No bank shall be liable to a depositor for the payment by it of a forged or raised check unless within three months after the return to the depositor of the voucher of such payment, such depositor shall notify the bank that the check so paid is forged or raised."

This statute, it will be observed, does not require the actual return of the forged check by the depositor to the bank within three months from the time of receiving it as a voucher, but requires notice to the bank of the forgery within that time.

#### DEFECTIVE ENDORSEMENT OF PAYEE UPON CHECK.

Where the endorsement of the payee upon a check is defective, the drawee is not obliged to pay upon guaranty of the endorsement.

From Illinois.—We cashed a check for a customer which was made payable to J. E. Doe and party endorsed same Elmer Doe, and we forwarded check and guaranteed the endorsement, which check was returned on account of endorsement. Should the maker withdraw his account and cause a loss before the endorsement can be made as asked, who would be the loser? In other words, is our certificate guaranteeing the endorsement not legally sufficient, the same as an affidavit correcting a similar error in a deed to land? We do not care to cause you to go into detail; merely briefly giving your opinion as to who would stand the loss, if any.

While banks often pay checks where there is a discrepancy in the payee's endorsement upon the guaranty of the bank presenting the check, I know of nothing which obligates the drawee bank to make payment upon a guaranty in such case where it chooses not to do so. Such obligation as there is on chooses not to do so. Such obligation as there is on the part of the drawee bank, is only to the drawer and not to the holder in any event, the check not being an assignment; and while the obligation extends to paying the holder by proper endorsement, it is not compulsory on the bank to pay, and the check is not dishonored nor the drawer's credit injured by refusing payment of a check having a defective enrefusing payment of a check having a defective endorsement. See, for example, Harden v. Birmingham Trust & Savings Bank, 55 So. (Ala.) 943, in which the court said: "In order to fix the liability, as for breach of duty, on a bank for a failure to pay a check of a depositor drawn in favor of another person, it must appear that the check was presented at the proper time and place, and properly endorsed by the payee, and, if it has been transferred by the payee to another, then it should be endorsed by such other. to another, then it should be endorsed by such other person also."

It cannot be said that a check payable to J. E. Doe endorsed Elmer Doe is properly endorsed by the payee, and I think, therefore, the drawee bank has a right to refuse payment if it chooses and not accept

a right to refuse payment if it chooses and not accept a guaranty of the endorsement.

In the event the drawer should withdraw the amount before the check was properly presented, the loss, if any, would fall on the owner of the check. There would be no right of action against the bank, but there would be recourse upon the drawer and any prior endorser.

#### PROTEST OF CHECK.

Where a check appears on its face to be both drawn and payable in South Dakota, protest is not re-quired by the Negotiable Instruments Act, al-though the check is issued and negotiated in another State.

From South Dakota.-Will you kindly inform From South Dakota.—Will you kindly inform me if an ordinary bank check, drawn on our bank, turned in at a Chicago bank by one of our customers while in that city, and sent to us by that bank for collection, could be considered a foreign bill of exchange, and require protesting in case of non-payment, while on its face it purports to be both drawn and payable within this

The Negotiable Instruments Act of South Dakota provides (Section 117) that "where any negotiable instrument has been dishonored it may be protested for non-acceptance or non-payment, as the case may be; but protest is not required except in the case of foreign bills of exchange." The act defines an inland and a foreign bill as follows (Section 128): "An inland bill of exchange is a bill which is, or on its face purports to be, both drawn and payable within this State. Any other bill is a foreign bill. Unless the contrary appears on the face of the bill, the holder may treat it as an inland bill." The act further provides (Section 150) that "where a bill does not appear on its face to be a foreign bill, protest thereof in case of dishonor is unnecessary."

In the case stated, the check appearing on its face to be both drawn and payable in South Dakota, protest is not required by the Negotiable Instruments Act, although the check was issued and negotiated in

another State. In Mankey v. Hoyt, 132 N. W. 230, decided by the Supreme Court of South Dakota in 1911, a check was drawn and delivered in South Dakota upon a bank in Iowa and the court held that the instrument was a foreign bill of exchange which required protest and that notice of dishonor could only be given by notice of its protest. The report of the case does not show whether or not the check showed on its face that it was drawn in South Dakota. But assuming that it did not and apparently was both drawn ing that it did not and apparently was both drawn and payable in Iowa, the later provisions of the Negotiable Instruments Act, passed by your legislature this year, would govern under which, as shown, unless the instrument shows on its face that it was drawn in a State other than that where payable, protect is the province of the payable. test is unnecessary.

#### RIGHTS OF PURCHASER OF STOPPED CHECK.

Bank which purchases a check from the payee in regular course of business is a holder in due course and can recover the amount and protest fees from the drawer where payment has been stopped.

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From Pennsylvania.-One of our customers gave a check for one hundred and sixty odd dollars gave a check for one hundred and sixty odd dollars to a party in an adjoining town for some ginseng. The ginseng was reported as being wild grown, but upon its being received it was found to be cultivated ginseng. There is a difference of about six dollars per pound between the two kinds, and immediately upon the receipt of the ginseng and the discovery that it was cultivated, the purchaser shipped the ginseng back and stopped payment on the check. In the meantime the payee of the check got the same cashed at a national bank in his town and it was forwarded by the bank in the customary channels and prenational bank in his town and it was forwarded by the bank in the customary channels and pre-sented here; payment was refused and the check was protested. The payee in the check was not responsible, and the bank originally cashing the check now demands payment from the maker, who has refused. We understand that the Suwho has refused. We understand that the Supreme Court of Pennsylvania has decided that the innocent purchaser of commercial paper has the right of recovery against the maker, but can the bank originally cashing this check take the position that it is the purchaser thereof or merely acting as agent for collecting the same, although it cashed the same over its counter? Will you kindly advise us if our customer is liable in the above case?

While the drawer has the right to stop payment of his check and thus prevent its payment by the bank, he cannot escape liability as drawer to one who has purchased the same in good faith or in the language of the Negotiable Instruments Act, is a holder in due course.

In the present case, had the national bank taken the check simply for collection without advancing value therefor, or assuming the payee was a customer, merely credited the check to his account without the amount being withdrawn at the time it re-ceived notice of a defect in the payee's title, it would not be a holder in due course, but having given cash for the check over its counter, in the regular course of business, without any notice, so far as appears that there was anything wrong with the payee's title, it is beyond question a holder in due course and entitled to recover the amount and protest fees from the drawer. the drawer.



## PROTECTIVE DEPARTME



#### L.W. GAMMON

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515 Mulberry Street.

#### RULES OF THE STANDING PROTECTIVE COMMITTEE.

Upon receipt of notification by the General Secretary, Five Nassau Street, New York City, or the nearest office or correspondent of the William J. Burns International Detective Agency, Inc., of an attempted or successful perpetration of fraud or crime upon a member of this Association in its banking rooms, or in the rooms of such branches as are members, either by forgery, check-raising, worthless or bogus checks, swindle, sneak theft, robbery, hold-up, or burglary therein, the Committee will at once use its best efforts to apprehend the criminal. No action, however, will be taken unless immediate notice is given and a case once committed to the Association cannot be taken out of its hands nor the offense condoned or compromised. If for any reason whatsoever no prosecution takes place when the member is in a legal position to aid in the prosecution, and fails to do so, such member shall reimburse the Association for all expenses incurred in connection with the case reported.

2. In reporting cases the member agrees to swear out a warrant for the criminal concerned when his

identity has been determined; or a John Doe warrant at once in States where permitted.

The Committee relentlessly pursues both amateur and professional criminals in cases of attempted or successful fraud or crime upon members of the Association, but cannot take cognizance of such offenses where perpetrated upon other than members, or of so-called "inside jobs" where the offender is an officer or employee of a member.

The Committee relies upon the State, county, or local authorities to arrange for the extradition and the payment of expense incident to the return of a prisoner. The Committee will not pay witness fees, and will not be responsible for any expense incurred for protective work, which has not been previously authorized.

It is expected that every member will co-operate with the Committee by promptly reporting every offense coming under its notice, regardless of whether the operation is against the bank or one of its customers, as well as by using all reasonable efforts in assisting in the arrest and conviction of the offender. The information concerning any operation against a member's customers will be of value to us as a matter of record, for possible future guidance in our work.

FRED. E. FARNSWORTH. General Secretary.

We respectfully call the attention of our members to the rules of the Standing Protective Committee of this Association, which are reproduced above, and request that members thoroughly familiarize themselves

It will be noted that members are complying with the rules if they notify the nearest office or correspondent of our detective agents of an attempted or successful perpetration of fraud against them. The addresses of the various offices of our detective agents appear at the head of this page. By notifying the nearest office of our detective agents considerable time may be saved in bringing about a successful solution of any matter.

HE following is a report for the month of November, 1913, pertaining to the work of the Protective Department:

J. A. ADAMS, a carpenter, described as follows: Age, 40 years; height, 5 feet 8 inches; weight, 140 to 150 pounds; complexion, dark; hair, medium; brown mustache; dress, good, wears soft hat; quite talkative, is being sought by our detective agents on complaint of a bank member at Anaheim, California. Adams is charged with passing a forged check on

the member. The California Bankers' Association is co-operating with this Association in this investigation. Adams' signature is reproduced below.

J. a. adams

A. H. FORBUSH, alias A. H. Daniels, alias A. H. Chambers, alias A. H. Davis, has been cashing numerous worthless checks and drafts throughout the States of Arkansas and Texas during the past few weeks. This man at present claims to be representing the Sip Mfg. Co., of Memphis, Tenn., and has in his possession a list of subscribers for capital stock of that company, also other pamphlets of theirs. He has cashed several checks drawn upon a Brinkley. Arkansas, bank member and seems to be headed for Texas. He is described as follows: Age, 30 years: height, 5 feet 6 or 7 inches; weight, about 155 to 160 pounds; has a cork leg, which causes him to limp slightly, talked like an experienced business man. The Arkansas Bankers' Association is co-operating with this Association in this matter. Specimens of his handwriting are reproduced below.

PR Gugath

A Brawley, California, bank member of this Association and the California Bankers' Association reported on November 4, 1913, that they had sustained a loss through the medium of a forged check passed by a Japanese. A specimen of the forger's handwriting is reproduced below.

of yessaina

The San Francisco office of our detective agents is looking for S. D. AUBRY, who is wanted for defrauding a Fruitvale, California, bank member of the California Bankers' Association. Aubry secured a sum of money from the bank by means of a worthless check signed "C. A. Roberts," and made payable to and endorsed by Aubry. The check was cashed by Aubry on October 18, 1913. Two days later Aubry presented a check for \$100 to the same bank, but the cash was refused. Aubry is described as follows: Age, 30 years; height, 5 feet 7 inches; weight, 180 pounds; build, stout; eyes, brown; hair, brown; nose, prominent; walks flatfooted; nativity, Germany.

A man representing himself to be ARTHUR BURT, attorney with rooms in the Unity Building, Chicago, Illinois, appeared at a bank member in that city and presented a check signed by R. E. CLAYTON and drawn on the check blank of Foreman Brothers, Banking Co., in favor of Arthur Burt. As the man was unknown at the bank, the check was not accepted. He departed saying he would secure the endorsement of A. R. Tearney, a well-known cafe and saloon owner of Chicago. He returned shortly and again presented the check, which at this time bore the purported endorsement of Mr. Tearney. The signature of Mr. Tearney was identified as genuine by one of the bank employees and the check was cashed. It later developed that the check was a forgery.

This man is described as follows: Age, 25 years; height, 5 feet 9 inches; weight, 135 pounds; build, medium; complexion, very white; hair, medium dark; eyes, gray; wore dark sult, soft felt hat.

Member banks should be on their guard for a man answering the above description and if he attempts to pass any more checks, they should immediately cause his arrest and notify the nearest office of our detective agents. Below we reproduce a specimen of Burt's handwriting.

about A. E. Colayton

Membership banks should be on their guard against a man using the name of HARRY I. DAVIS, who has defrauded a membership bank in Chicago, Illinois, and also a number of business houses in that city, during the early part of November, 1913. Davis used the check blanks of the Old Colony Trust & Savings Bank, to which he had forged the signature of one of their customers, the McKenzie Furnace Co., which is located in a suburb of Chicago.

Davis is described as follows: Age, about 27 years; height, 6 feet; weight, 160 pounds; build, slender; complexion, light; hair, light brown; smooth shaven; pronounced Southern accent; neat and well dressed. When last seen he wore a dark blue chinchilla overcoat.

FRANK A. WISE is wanted for having defrauded a bank member ir. Decatur, Illinois, with checks which he had stolen from Mr. H. K. Fowler, Superintendent for the James Stewart Construction Co., in Decatur, and to which he had forged Mr. Fowler's signature. Wise left town before the forgeries were discovered and it is believed he has gone West, where he may endeavor to cash some more forged checks.

The description of Wise follows: Age, 40 years; height, 6 feet; weight, 170 to 180 pounds; build, good, broad shoulders; hair, dark; eyes, dark; smooth shaven; one of his hands is crippled, two or more of his fingers are amputated. Has large feet. When last seen he wore a dark suit and dark soft hat. Appearance, very good. Handwriting of Wise is reproduced below.

of Wise

A man employing the name of R. I. TABB has been operating in the vicinity of Peoria, Illinois, in defrauding bank employees, by representing himself as the Fiscal Agent and Registrar of the Chicago College of Business Psychology, for which he sells a complete course in the college, signing contracts and taking the first monthly payment with a check.

It develops that these blanks, which he carries, are forgeries and that he had same printed for his own fraudulent purposes. It is also stated he has defrauded people in Memphis, Tenn., and other points. A warrant for his arrest is now in the hands of the Chicago Police Department, charging him with securing money under false pretenses.

He is described as follows: Age, 33 years; height, 6 feet; weight, 160 pounds; complexion, medium dark; smooth shaven; neat appearance, good salesman and fluent talker. Has flat mole or wart where his hair parts.

A party giving the name of RAY FISHER and claiming to reside in the neighborhood of Newburzh, Ind., called at a membership bank in Evansville, Indiana, and presented a check drawn on another Evansville bank, signed George Newman, and made payable to Ray Fisher. The bank did not know either Newman or Fisher, but as they were in the habit of cashing checks for people from the vicinity of Newburgh, where they had an associate bank, they cashed this check for Fisher, which was afterwards returned to them as worthless. Fisher is described as follows: Age, 23 to 25 years; height, 5 feet 7 inches; weighs 130 pounds; slender build; dark hair; smooth shaven; has the appearance of a farmer boy, but neatly dressed.

It has been learned by our detective agents that the person employing the name of DR. J. KERN, and to whom attention was called in the November, 1913, JOURNAL-BULLETIN, page 379, and who succeeded in defrauding a member bank of Whiting, Indiana, was in collusion with several other quack doctors operating in Chicago, Ill., Gary, Ind., Hammond, Ind., and several other Indiana and Illinois towns, and for whom the Government has recently been seeking in connection with their illegal practice of medicine.

Another member bank has recently been defrauded by a doctor said to be in collusion with this Doctor Kern, and members should be on the lookout for these fellows, who open small accounts and then "kite checks" eventually defrauding the bank by overdrawn accounts and the issuing of worthless checks.

A membership bank of Eddyville, Iowa, reported a forgery by a man employing the name of FRANK CUNNINGHAM, who presented a check drawn on a bank member at Knoxville, Ia., and purported to have been signed by George H. Ramsey. Cunningham is described as follows: Age, 26 years; height, about 6 feet; weight, 175 pounds; hair, black and wavy; scar on upper lip, right side, extending from nose to corner of mouth. Always wears his hat on the back of his head, displaying his hair drawn down over his forehead. This matter has been reported to our detective agents, who are investigating in the interests of this and the Iowa Bankers' Association.

A young man named MELVIN L. JOHNSON is wanted for having defrauded a membership bank in Fort Dodge, Iowa, and also a hotel and several business houses in Chicago, Ill., on checks drawn on a membership bank in Fort Dodge, Ia., to which he had forged the signature of a millinery firm of Cope & Mallow, also of Fort Dodge. Johnson is a native of Chicago and was married about September 1, 1913, and is supposed to be headed for San Francisco or some other western point and may try to pass checks in that section as soon as he runs short of money.

Johnson is described as follows: Age, 19 years, looks 22 or 23 years old; height, 5 feet, 10 inches; weight, about 145 pounds; build, slender; complexion, light; hair, light; eyes, brown; smooth shaven; corners of mouth droop. Wore blue velour hat, fine grade dark gray suit, latest style, blue chinchilla overcoat, tan shoes; appearance, very neat.

Johnson's wife is described as follows: Age, about 24 years; height, 5 feet, 4 or 5 inches; weight, about 115 pounds; build, slender; complexion, light; hair, blonde; number of teeth decayed. When last seen wore black velvet hat, single ostrich plume, black velvet coat with large fluffy collar.

Member banks are warned to be on their guard against this man and in case he tries to pass one of these checks on them should cause his arrest and notify the nearest office of our detective agents. The Iowa Bankers' Association is co-operating with this Association in this case.



EDMUND J. KERBER.

A warrant is in the hands of the Sioux City, Iowa, Police Department for the arrest of EDMUND J. KERBER, who recently defrauded a customer of a membership bank in that city. Kerber is 22 years of age; 5 feet 6 inches; weighs 140 pounds; is quite a comedian and singer; small scar on cheek near nose.

J. A. ANDERSON, alias C. M. Baker, is wanted for having defrauded a membership bank in Wichita, Kansas, and also a member bank in Evansville, Ind., on bogus checks to which he forged the endorsement of reputable citizens. At Wichita this party used the name of J. A. Anderson, while at Evansville he used the name of C. M. Baker.

His mode of operating is to call at the bank with a bogus check and represent himself as being employed by some railroad; the bank invariably refused to cash the check on his first visit. He then asks if they will cash the check if he secures the endorsement of some reliable party in the town. On being answered in the affirmative, he leaves the bank and in a short time the bank is called on the telephone by a party who represents himself to be one of their customers or a party well known to them and who states he has endorsed the check and requests that the bank cash it, as he knows it to be O. K. forger then returns to the bank with the endorsement on the check, purporting to be that of the party who called on the phone. After giving him the money on the check, the bank later discovers that the endorsement is a forgery and that the check is worthless.

Anderson is described as follows: Age, 43 to 45 years; height, 5 feet 10 or 11 inches; weight, about 165 pounds; complexion, florid; hair, dark brown; eyes, blue or gray; smooth shaven or wearing dark mustache streaked with gray; slightly stooped shoulders; has the appearance of a laboring man. Previous mention of this party is made on page 219 of the September, 1913, JOURNAL-BULLETIN.

Member banks in Louisiana, Mississippi, Texas and Arkansas are warned against accepting any drafts drawn on the National Bank of Commerce of New Orleans, La., which bank is non-existent. These drafts are specially printed and bear the name of a prominent coffee concern of New Orleans, La., and have so far been cashed by individuals and later placed with our members for collection.

The drafts in question are presumably for expense and have so far been made payable to L. A. POWERS, J. W. Gardner, L. M. Fromme, J. L. Birdette, L. A. Groves, Henry M. Long and L. W. East. These names, however, will be of little assistance as the criminal has in the past used a new name on each draft. The amounts usually range in the neighborhood of \$30, are numbered in the seven hundred, are usually typewritten and signed for the company by

E. H. James.

This operator is described as being 30 to 35 years of age; 5 feet 8½ inches in height; 140 pounds in weight; of slight build; dark eyes; dark hair and is neat in both appearance and dress. Has the appearance of a commercial traveler.

THOMAS J. RYAN is being sought by our detective agents for the attempted swindle of a New Orleans, Louisiana, member bank.

Ryan, who posed as the Southern representative of a large motion picture company, obtained some signed but otherwise blank checks of a lumber company located at Carriere, Miss.

He later placed one of these, drawn on a bank member at Poplarville, Mississippi, which was made payable to himself, with the New Orleans bank member for collection, and pleading temporary financial embarrassment, requested an advance which was refused.

Below is reproduced a specimen of Ryan's signature.

An individual representing himself to be REV. L. W. SEARLES, on November 1, 1913, victimized a bank member of Bangor, Maine.

Searles, who stated that he was a post-graduate theological student, deposited a check on the bank member, afterwards drawing and cashing numerous checks throughout that city.

Searles' description is as follows: Age, 35 to 40 years; height, 5 feet 10 inches tall; weight, 140 pounds; build, slender; complexion, dark; hair, dark, slightly gray at temples; eyes, near together, color not noticed; smooth shaven, appearance, neat and ministerial; dress, clerical vest with round cloth buttons, buttoned close to neck, wears straight standup collar, black clothes, black derby hat. When last seen was wearing a dark brown overcoat, shawl collar, strap on back and sleeves. Has deep wrinkles at corner of mouth, thin face and large jawbones. We reproduce below a specimen of Searles' signature.

S.W Scarles

ROBERT W. BARNETT, alias John W. Martin, who in August, 1913, swindled a membership concern of bankers and brokers in Boston, Massachusetts, out of negotiable Illinois Steel and American Telephone and Telegraph bonds, turned up in Holyoke, Massachusetts, in the latter part of October. Barnett, now using the name of Martin, presented the Illinois Steel bonds to a bank member in Holyoke, Mass., and received a substantial loan on same, immediately disappearing.

The numbers of the stolen bonds had been very cleverly altered and the bank member did not suspect a fraud until he had disappeared from the city some three weeks.

three weeks.

Since he was last reported, Barnett shaved off his mustache, but the other description, as reported on page 220 of the September, 1913, JOURNAL-BULLETIN, is correct.

Members are again warned against the operations of FRANK VON GORDON, whose photograph is reproduced on page 380, November, 1913, JOURNAL. Recently he operated in Worcester, Massachusetts, under the name of F. Stanford, defrauding a bank member, hotel and jewelry store of that city. He deposited \$100 and two checks drawn on a Toledo, Ohio, bank member with the Worcester, Massachusetts, member. After securing a check book of the Worcester member, he began drawing checks against his account. Several checks were honored before the check drawn on the Toledo, Bank was returned marked check drawn on the Toledo Bank was returned marked "no account." Gordon had a card bearing the name "F. Stanford, General Agent, Accident Liability & Insurance Company of Ohio." As part of the scheme to defraud the bank and others, he rented desk room in the Slater Building in Worcester. Members should be on the dookout for checks drawn on the Worcester bank and signed "F. Stanford." However, there is a possibility he may now operate under another name,

possibility he may now operate under another hams, and use a new check.

The operations of this criminal have been mentioned in the JOURNAL-BULLETINS of January, 1911, page 406; February, 1911, page 4743; January, 1913, page 452; September, 1913, page 218; October, 1913, page 272.

A bank member at Detroit, Michigan, reports that a party has defrauded them by forging the name of one of their depositors. He cashed these checks at Columbus, Columbus Grove and Cleroles Columbus at Columbus, Columbus Grove and Cleveland, Ohio, and at Buffalo, Syracuse, and Schenectady, N. Y. These checks are for small amounts. This party has been using the names of H. B. SEAMON and A. H. Johnson.

A Minneapolis, Minnesota, membership bank has been defrauded by one JESSE L. HEDDEN, a contractor, by means of a bogus check drawn on an eastern bank, Hedden is about 40 years of age; 5 f 6 inches in height; and weight, 175 pounds; li hair; blue eyes; florid complexion; smooth face. light

Member banks are warned to be on the lookout for one JOHN L. BRYANT, who is resuming his worthless check and swindling operations after a lapse of two years. This man is about 30 years of age; 5 feet, 11½ inches in height; weighs about 170 pounds; medium build; light hair, and is smooth shaven. He is slightly stooped and when last seen in Kansas City. Mo. in August, 1913, wore a blue serge Kansas City, Mo., in August, 1913, wore a blue serge

He claims to be a civil engineer and recently swindled the brother of a former friend out of \$40 by impersonation, and the use of a fake telegram requesting funds. The above information was submitted by a member bank of Columbia, Miss. Sec. 1011DAL-BULLETIN Sontember 1011 pages 165 mitted by a member bank of Columbia, Miss. So JOURNAL-BULLETIN, September, 1911, page 165.

M. B. SEVERSON, a carpenter by trade, recently passed two forged checks in Kansas City, Missouri, which went through a membership bank, and on which they are the loser. These checks were both passed at

saloons. In addition to the two checks mentioned, several forged checks have been passed on different merchants by this man.

Severson is described as follows: Age, 40 to 45 years; height, 5 feet 7 inches; weight, 130 pounds; eyes, brownish gray; mustache, tinged with gray; hair, dark brown, tinged with gray.

WILL ULRESA, alias C. W. Doton, who is described as being about 35 years old; height, 5 feet 8 inches; weight, 140 to 145 pounds; smooth shaven; blue eyes; brown hair; recently swindled a membership bank in Kansas City, Missouri, by means of a fraudulent check, having forged the name of a depositor to same. This man also swindled a mercantille concern in Tulsa, Okla, after leaving Kansas positor to same. This man also swindled a mercan-tile concern in Tulsa, Okla., after leaving Kansas City. Sample of his handwriting is reproduced below.

Membership banks should be on their guard against Cashier's check No. 5456, dated October 25, 1913, payable to Wm. Fuhrman, in the sum of \$900, which was issued by the Empire Trust Company, St. Joseph, Missouri, signed Charles E. Wright, Cashier. This check has been lost or stolen, and the probabilities are that the wrong person will endeavered at the wrong person will endeavered at the wrong treatment. deavor to get the money on it.

worthless check operator using the name BEN-JAMIN D. WILSON recently swindled two furniture houses in Lincoln, Nebraska, by means of worthless checks drawn on a membership bank at South Omaha, Nebraska. These checks were signed Edward Holub, and were passed at the furniture stores in payment of furniture which he wanted delivered to a fake address. Wilson is described as follows: Age, 40 years; height, 5 feet 7 or 8 inches; weight, 150 to 160 pounds; complexion, ruddy; eyes, dark, deep set; hair, dark. This man's handwriting is reproduced

GEORGE CAMPBELL, 26 years of age; 5 feet 7 inches in height; weight, about 170 pounds; medium build; smooth face; medium complexion; is wanted in connection with a forgery by which a customer of an Ayr, North Dakota, bank member was defrauded.

Formerly a representative of the Sprague Mer-cantile Agency of Chicago, Ill., H. M. BOWLBY, recently succeeded in defrauding a member bank of Barbertown, Ohio, by forged checks. Investigation by our detective agents develops that on September 1, 1913, he was \$187.59 short in his accounts with the 1913, he was \$187.50 short in his accounts with the mercantile agency, and that he was under bond to them for this amount. It seems he has been in trouble of this character before and the amount of his spurious checks have been made good by his father in each instance. Bowlby is described as follows: Age, 40 years; height, 5 feet 9 inches; weight, 180 pounds; complexion, ruddy; smooth face; hair, black, slightly gray. Usually wears dark clothes and black derby hat, and smokes a pipe continually. A specimen of Bowlby's handwriting is reproduced below.

During the early part of this month, HUGH FAR-RINGTON defrauded a bank member in Port Clinton, Ohio, by forging the name of a depositor to three checks. A warrant has been issued for his arrest. He is described as follows: Age, 33 to 35 years; height, 5 feet 11 inches; weight, 180 pounds; hair, light brown, almost blonde, very thin in front, almost bald, curly; eyes, blue; complexion, light; large nose; smooth shaven, recently shaved off mustache. Said he was Scotch-Irish, is very talkative. Demonstrates to people how to use hands when fighting. He may be accompanied by A. Lloyd Shakelton. Age, 33 years; height, 5 feet 11 inches; weight, 190 pounds; hair, sandy; complexion, very red; very prominent scar on the left side of his face and it runs from his lip to point of jaw under his ear.

from his lip to point of jaw under his ear.

Both wore blue shirts and light suits. Both claimed to be concrete workers. They said they were cousins and lived in Brooklyn, N. Y. Farrington is supposed to be a blacksmith and Shakelton a sheet

metal worker.

Shakelton has business cards introducing himself as C. Lloyd Shakelton, Timber and Lumber Inspector, Pensacola, Fla.

Hold Farrington and notify the nearest office of

our detective agents.

A former advertising solicitor for the National Waterways, a magazine published by the National Rivers and Harbors Congress of Washington, D. C., has defrauded several persons in Pittsburgh, Pa., and Buffalo, N. Y. Receiving checks in payment for advertising matter he forges the endorsement of an officer of the Congress and cashes them.

A membership bank of Sewickley, Pennsylvania, made complaint to the Pittsburgh office of our detec-tive agents, that they had been defrauded through the operations of a woman who was known in Sewickley at the time under the name of Mrs. Frances Corbin.

An investigation was immediately made and it was learned that the woman who posed as Mrs. Corbin was none other than an old-time offender along this line named ESTHER HARRIS, alias E. F. Wells, alias Miss Lewis, alias Thurber, alias Mrs. Dorothy Gardner Armory. Member banks throughout the Gardner Armory. Member banks throughout the country are warned to be on the lookout for this forger and swindler.

Esther Harris escaped from the Riverhead Jail, Suffolk County, N. Y., December 8, 1912. She has also used aliases of Margaret Pollock Sherwood and Mary F. Kenyon. She is wanted in Los Angeles.

California, Cincinnati, Ohio, and East Boston, Mass.,

OF

for forgery.

She is described as follows: Age, 46 years; height, 5 feet 8 inches; weight, 145 pounds; complexion, dark; hair, dark, mixed with gray; has large nose and gold filling in upper jaw; mannish dresser. See JOURNAL-BULLETIN, September, 1911, page 160 and February, 1912, page 498. We reproduce below specimen of this woman's handwriting.

# Mrs. J. D Culletson for

A Howard, S. Dak., membership bank is desirous of locating one JOSEPH E. WALKER, 5 feet 6 inches tall; weight, 145 pounds; light complexion; dark hair; blue eyes. Walker is said to have defrauded this bank by means of a forged check.

Harper-Gerwig Supply Company's checks are again being passed made payable to H. P. Foster, signed Harper-Gerwig Supply Co., per R. C. Gerwig, Secretary, drawn on the People's Bank and Trust Co., New Marshfield, Ohio. There is no such a bank at New Marshfield, Ohio. This operator represents himself as a queensware salesman and was last heard from in Tennessee. JOURNAL-BULLETIN, July, 1913, page 42 and August, 1913, page 101.

A young man, using the names of G. A. VAUGHN, D. D. Lyons, F. H. Russell, D. E. Ward, T. J. Foley, C. E. Plant and others, is representing himself to be a salesman for the Parmelee Mfg. Co., of Buffalo, N. Y., and cashing bogus drafts in various parts of the country.

At present he is operating through the State of Texas. This man is described as follows: Age, 24 to 26 years; height, 5 feet 4 inches; weight, 125 pounds; build, slender; complexion, freckled; hair, light auburn, almost red; smooth shaven; neat appearance.

J. A. BROWN, during the month of August, 1913, forged a check signing the name of A. H. Howell, and made payable to himself. This check was cashed by an Aberdeen, Washington, bank member and later they discovered it was a forgery. Brown is a painter by trade.

Bank members should be on the lookout for counterfeit \$50 United States Express Company Travelers Cheques, a number of which have been passed in Europe during the past two months. The operations of the counterfeiters have been confined to Europe, so far; however, they may emigrate to this country. It is stated that these counterfeit travelers cheques are an almost perfect reproduction of the checks used by the above named company.

#### GENERAL.

M. C. BIEDERMAN, an account of whose escapade appeared in the November, 1913, JOURNAL-BULLETIN, page 383, was arrested in Chicago, Ill., on November 8, 1913.

ARTHUR EHRBAR, a youth of fifteen years, was arrested in New Orleans, La., October 9, 1913, charged with forgery in Chicago, Ill. Young Ehrbar is charged with forging four checks, two for \$150 and two for \$100 on the Chicago, Milwaukee and St. Paul R. R., the name of the General Adjuster being the signature forged. He was returned to Chicago for trial.

On November 25, 1913, a bank member in Philadelphia notified a New York bank member and a New York detective agency that James Edward Foye was on his way to New York and that he had in his possession a certified check for \$97,000 and a quarter of a million dollars in security of the Union Pacific and General Electric Companies, all of which he had obtained by giving as collateral forged certificates of the bank member of New York City, where he had formerly been employed.

BANKERS

At the request of the New York bank, our detective agents co-operated with the New York detective agency mentioned and as a result Foye was arrested by detectives of the Greenwich Street Station House as he alighted from a train in New York

City.

J. E. JOHNSON, wanted for forgery at Jennings, La., was arrested October 8, 1913, at Baton Rouge, La., on a charge of obtaining money by false pretence. He was sentenced to three years at the Louisiana State Penitentiary on the latter charge, but will be returned to Jennings, La., at the expiration of his sentence. Johnson is described as follows: Age, 25 years; height, 5 feet 11½ inches; weight, 148 pounds; complexion, fair; eyes, blue; hair, light brown; bow legged, long, narrow face and nose; square jaws; nativity, Kentucky; residence, Indianapolis, Ind.; marks and scars, pit scar left cheek, scar left side of forehead, small moles near Adam's apple, large tip on right index finger, scar center of back and center small of back.

SAMUEL H. KEELER, alias George W. Fisher, mentioned in the JOURNAL-BULLETIN, for August, 1910, page 88; September, 1910, page 154; June, 1911, page 743; November, 1913, page 384; has been sentenced to the Iowa State Prison, at Fort Madison, Ia., for a period of fifteen years.

WILLIAM LODTMAN, alias H. J. Frawley, alias James S. Elliot, alias Chas. A. Brush, alias Wm. Lansing, whose operations have been reported through the columns of the JOURNAL-BULLETIN, July, 1910, page 18 and February, 1912, page 500, has according to press despatch been arrested in Hanover, Germany, on November 22, 1913, for passing bogus and fraudulent checks. It is said that his activities in Germany have lasted over a year, during which period he represented himself as the correspondent of leading American newspapers. It is said that the checks were passed not only in Germany, but in Austria, Italy, France and Belgium. Lodtman was arrested in Chicago, Ill., and held under \$5,000, which he forfeited, following his arrest August 6, 1912, on a charge preferred against him by several merchants.

HARRY LOWENTHAL, wanted for defrauding a bank member of the Iowa Bankers' Association, was arrested November 19, 1913, at Des Moines, Ia. Lowenthal is described as follows: Age, 23 years; height, 5 feet 7½ inches; weight, 123 pounds; build, medium; complexion, sallow; eyes, orange; hair, black; nativity, Russian Jew.

J. A. PARKER, alias S. S. Gard, alias P. L. Rentschler, mention of whom was made on page 280 of the October, 1913, JOURNAL-BULLETIN, was recently arrested on a bogus check charge at Jacksonville, Fla. This criminal is wanted for cashing bogus checks on hotels in Dallas, Houston and Galveston, Texas, and in Alexandria and New Orleans, La. If the Jacksonville, Fla., authorities are unable to convict, it is expected that Parker will be returned to Louisiana to face the charges pending against him in that State.

In error it was reported on page 386 of the November, 1913, JOURNAL-BULLETIN that Harry A. Roy had been sentenced to serve from one to fifteen years in the penitentiary. The article should have read one to fifteen months.

The following self-explanatory letter under date

of December 3d was received by the Association from P. F. Collier & Son, Publishers, New York City: "Several banks in Missouri, Oklahoma and Kan-sas have been swindled by an alleged representative of P. F. Collier & Son, who has sold them at a discount subscription contracts payable in monthly installments. These contracts are not reported to the publishers and the party selling them has no authority to represent P. F. Collier & Son in any way.

The publishers have made every effort to secure

his arrest, but without success, as complaints on his work are usually made from four to six weeks after he has left the town. The situation is further com-plicated by the fact that Collier's have a number of authorized representatives who are doing the same

sort of business legitimately.

Complaints of the fraudulent representative have

been received from the following banks:
First State Bank, Atwood, Okla., Sept. 23d—gave name of N. W. Price.

Stotesbury State Bank, Stotesbury, Mo., Oct. 10th, gave name of C. W. Clarkson.
Niotaze State Bank, Niotaze, Kans., Oct. 14th, name of C. W. Clarkson.

Jefferson State Bank, Jefferson, Kans., Oct. 15th, name of C. W. Clarkson.
Falun State Bank, Falun, Kans., Oct. 29th, name

E. A. McCauley.

The only description we have is from Jefferson State Bank as follows: between 25 and 30 years old, dark complexion, pleasing appearance.

#### ARRESTED.

Recently ALLEN L. ALFORD, alias W. H. Porter, alias L. A. Smith, called at two Kansas City membership banks and opened an account at each place, with a forged check for \$75 and a draft purporting to

be for his balance in a Dallas, Texas, bank.

At each place he convinced the officials of the bank that he knew friends of theirs in Dallas, Texas. and on the strength of this was able to check on his account for a small amount. Alford also used a girl whom he sent to the banks after his call there with checks to be cashed. This aroused the suspicion of 1913, reported a loss through a bogus check issued by the Police Department. The girl was released the Police Department. The girl was released.

HARRY BERNARD recently called at a membership bank in Larned, Kansas, in which city he conducted a bakeshop several years ago, and presented a draft for \$471, which he claimed was the balance he had on hand in a St. Louis bank. He said he desired to transfer his account to Larned, and immediately on placing this draft for collection he drew a check to cover current expenses. Owing to the fact that he at one time had lived in that town, the bank honored his check, which later proved to be worthless, as he had no balance as claimed.

Bernard was arrested on November 23, 1913, by our detective agents and the local police of St.

Louis, Mo.

A man named L. CARENTGHOR recently passed a check drawn on a membership bank in Kansas City to which he had signed his name, although he carried no account at that bank. He was later arrested.

AQUILA H. DULANEY, alias Guy Carlton, alias Henry V. Moore, alias H. C. Moore, alias John H. Delaney, concerning whom an article appeared on page 278 of the October, 1913, JOURNAL-BULLETIN, was arrested in St. Louis, Missouri, on November 12, 1913, on six charges of forgery perpetrated on merchants of that city.

Within the past few weeks Dulaney has passed numerous worthless checks on different people in St. Louis and on November 4, 1913, attempted to cash a forged check at a membership bank in St. Louis, Missouri.

L. E. DELONE, wanted for defrauding a bank member at Pittsburgh, Pennsylvania, by means of a bogus draft, was arrested on November 17, 1913, at Philadelphia, Pa., on a local charge. See JOURNAL-BULLETIN, July, 1913, page 41.



HERBERT FRANKEL

During the last week of April, 1913, HERBERT FRANKEL under the name of Dr. Hugh J. Hughes, claiming to have been a company doctor for several mines about Knoxville, Tenn., and to have sold out a drug store at Knoxville, bought an interest in a drug store at St. Louis, Mo. He gave in payment a bogus check drawn on a bank member in Knoxville, and also had a St. Louis, Mo., bank member cash a similar check for him, then disameared. similar check for him, then disappeared.

He appeared again in New Britain, Conn., under

the name of A. N. Vaughn, and defrauded another bank member. He claimed this time to be a druggist from Amsterdam, N. Y., and drew a check on an Amsterdam bank.

He was arrested and later identified by our detective agents as Herbert Frankel, who was once employed for a short time in Lebanon Hospital as a clerk and who was sentenced, July 6, 1912, to six months in New York Penitentiary. He had secured diamonds from a Maiden Lane jeweler on a bogus

He is described as follows: Age, 36 years; height, 5 feet 8½ inches; weight, 130 pounds; build, slim; complexion, dark; eyes, blue; hair, dyed black; nativity, New York City. Bertillon measurements: Hgt., 73.5; O. A., 73.0; Tr., 87.6; H. L., 19.7; H. W., 15.2; C. W., 12.8; R. E., 6.9; L. Ft., 25.4; L. M. F., 11.3; L. F., 8.3; F. A., 45.4. JOURNAL-BULLETIN, June, 1913, page 836.

A negro youth, CHAUNCEY L FRIERSON, was arrested November 5, 1913, at Kansas City, Mo., by our detective agents and the local police on complaint of a bank member of that place. He is charged with passing a forged check at a poolroom. The check was paid by the bank member and later was declared to be a forgery.

Our detective agents recently brought about the our detective agents recently brought about the arrest of WILLIAM FROST, at Mauston, Wis., wanted for forging a check by which a membership bank at Waubay, S. D., was defrauded. Frost is seventeen years of age; 5 feet 11 inches tall; weighs 150 pounds; blue eyes; slim build; light complexion. Frost has been returned to South Dakota for trial.

A bank member at Covina, Cal., on November 4 1913, reported a loss through a bogus check issued by GEORGE W. GLASGOW. Glasgow, who is from Missouri, becomes friendly with some business man

Missouri, becomes trendly with some business main from that State and then induces him to phone the bank that Glasgow's check is all right.

Glasgow was arrested at San Francisco, Cal., November 20, 1913, under the name of George W. Williams, charged with passing a bad check on a botal these charged. hotel there.

Glasgow is described as follows: Age, 26 years; height, 6 feet; smooth shaven; untidy in appearance; teeth, prominent, inclined inward; large mouth; walks erect; wears blue suit and is a heavy drinker. A reproduction of Glasgow's handwriting follows.

Gever Glo

W. E. HARPER, alias W. J. Ingram, was arrested on November 7, 1913, while trying to cash a forged check at a membership bank in Tulsa, Okla., he having forged the endorsement of a prominent woman in that city. Harper claims his home to be in Dallas, Texas.

Harper is described as follows: Age, 28 years; height, 5 feet 8 inches; weight, 146 pounds; build, medium; complexion, medium; hair, dark chestnut; eyes blue; smooth shaven; occupation, tailor.

Wanted in several cities in Massachusetts for passing forged checks, CHARLES F. HAYES was arrested at Boston, Mass., on November 3, 1913, by the local police. A check drawn by Hayes on a Hartford, Conn., bank member was paid by a Marlboro, Mass., bank member.

Hayes is described as being 35 years of age; 5 feet 10 inches tall, and weighing 179 pounds. Is smooth shaven, has medium complexion, dark brown hair and brown eyes; walks erect.

JUSTIN HINSHAW, a student attending the University of Kansas, at Lawrence, was recently arrested by Sheriff Cummings at that point for being an accomplice of ROY D. ADAMS, who was recently arrested by our detective agents for swindling a membership bank there. JOURNAL-BULLETIN, February, 1913, page 530, and October, 1913, page 282.

ALFRED HUNTER, alias Frederick Mulhunder, alias Edward A. Moore, alias E. G. Ehrich, defrauded several bank members in New York by means of checks cleverly raised to large amounts. He also had blank checks printed which were duplicates secured by him through the sale of stocks. These checks had the firm names printed on them.

His most favored method of operation was to enter a first-class jewelry store and select two good diamond rings, agreeing to call on the following day to purchase them. Instead of calling himself he would telephone that a messenger boy was on the way with the check and that he would call for the

In some instances the jeweler would have the check certified and in others he would deposit it in his bank and it would be paid without question by

the bank upon which it was drawn. Hunter has been operating in this and other cities since May of this year, having obtained a sum of money aggregating \$100,000 from New York stock brokers by the sale of counterfeit North Star stock.

He was arrested in New York City on the night of November 25, 1913, by our detective agents as he was in the act of accepting from a messenger a package supposed to contain diamonds. A check forged in the name of a depositor of a New York bank member had been given in payment.

Hunter had kept the messenger boy under sur-

veillance for nearly half an hour and was confident that no one was watching him when he approached the boy.

He is now in the Tombs awaiting trial, having been indicted under the name of Alfred Hunter in 1913, for forgery in the second degree

Any member defrauded by this criminal, or upon whom an attempt was made by him, should swear out a warrant where the crime was committed and lodge it with the New York City authorities. His description is as follows: Age, 32 years; height, 5 feet 11 inches; weight, 170 pounds; complexion, dark; hair, dark brown; eyes, dark brown; dark brown mustache, supposed to have been clean shaven a few months ago. His teeth are large, strong and well kept. Excellent dresser, well educated and apparently cultured.

JOHN JOHNSON, a negro, recently called at a membership bank in Kansas City, Mo., and presented a check for \$14.25. As it was evident the check had been raised, our detective agents were not fied by the bank. Johnson admitted raising the check from \$4.25 to \$14.25.

Johnson was taken to the police station, and at his preliminary hearing pleaded guilty. He is described as follows: Age, 17 years; height, 5 feet 11 inches; weight, 140 pounds; build, slender; complexion, dark; hair, dark; eyes, greenish grey.

SIDNEY T. KAUDERS, who succeeded in de-frauding a member bank in Milwaukee, Wis., has been arrested at Seattle, Wash., and has been re-turned to Milwaukee for prosecution. JOURNAL-BULLETIN, June, 1913, page 838.

WILL LEWIS, alias Will Jackson, a negro, was arrested on October 21, 1913, at Macon, Mo., on a charge of forgery. He was implicated with HY. charge of forgery. He was implicated with HY. WASHINGTON and S. SHEPARD, both negroes, in raising checks which were cashed at a membership bank at Shelbyville, Mo.

HAROLD T. LEYSER, allas George K. Darlington, attempted to pass a forged check on a bank member at Chicago, Ill., on November 3, 1913, and was arrested.

At 10.30 a.m. on November 5, 1913, the Houston Office of our detective agents was notified by a membership bank in that city to the effect that one of their customers had, upon examining his cancelled checks, found three forged checks among same. About the same time that the bank reported this matter to our detective agents, a draft was received in the mail from a bank in New Orleans, La., purporting to have been drawn by this same customer of the bank. The Houston Office of our detective agents immediately communicated with the New Orleans the bank. The Houston Office of our detective agents immediately communicated with the New Orleans Office, with the result that one J. WALTER Mc-KELWAY was arrested within the course of three and one-half hours after the matter was reported.

A few days thereafter McKelway was returned to Houston by Chief of Police Davison of the Houston Dalice Department, McKelway in the meantime had

Police Department. McKelway in the meantime had been indicted by the Harris County Grand Jury, three separate indictments having been brought in against him. It later developed that McKelway was at one time in the employ of the man whose name he forged. At the present writing McKelway is in the county jail, where he was placed in default of bond pending

McKelway is described as follows: Age, 45 to 50 years; height, 5 feet 10 inches; weight, 150 pounds; build, slender; complexion, light; eyes, light; hair, light yellow, yellow mustache. Good appearance; wore black Alpine hat, dark suit of clothes.

CARL W. MEYRICK recently swindled a membership bank in Kansas City Mo., by a check which he had forged and passed at a local drug house there. Meyrick is described as follows: Age, 25 to 30 years; height, 5 feet 7 inches; weight, 150 pounds; build, medium; hair, brown; eyes, blue; complexion,

fair.

Meyrick was traced to St. Louis by our detective

Meyrick was traced to St. Louis by our detective

Meyrick was traced to St. Louis by our detective

Meyrick was traced to St. Louis by our detective agents and arrested at that place, where he had also passed two or three bogus checks. He was returned to Kansas City.

LEWIS MONTAGUE was arrested November 20, 1913, at Raleigh N. C., and made confession to our detective agents who returned with him to Columbia, S. C., and delivered him to the city jail there. He is being held to await trial for having attempted or defrauded bank members in Washington, N. C., Southern Pines, N. C., Raleigh, N. C., and Columbia, S. C., by means of bogus checks.

Southern Files, N. C., Rateigh, M. C., was considered.

S. C., by means of bogus checks.

His description is as follows: Lewis Montague, alias Addison Proctor Jones, alias E. B. Evans, alias E. Hilderbrant, alias Albert Hillamon, alias Edgar Ginetty; age, 30 years; height, 6 feet; weight, 150 pounds; build, erect; eyes, blue; hair, light; complexion, light; large prominent ears; smooth shaven. Wore blue serge suit, tan shoes, with low English heels; black derby hat; watch chain across vest.

WILLIS PALMER, wanted for defrauding a Chicago, Ill., bank member, as reported on page 835 of the June, 1913, JOURNAL-BULLETIN, was arrested November 22, 1913, at Los Angeles, Cal.

E. L. ROBINSON, alias C. E. Johnston, was arrested at Cleveland, Ohio, on November 12 1913, by our detective agents for passing a bogus check on a member bank at Attica, N. Y. On November 16, 1913, he was returned to Attica to stand trial. JOURNAL-BULLETIN, November, 1913, page 381.

EDMUND WITTKOWSKI, who defrauded a bank member at Grand Rapids, Mich., by means of a forged check, was placed under arrest by our detective agents and the local police at Syracuse, N. Y., November 19, 1913, and will be returned to Grand Rapids for trial.

Wittkowski is a man about 5 feet 8 inches tall; 27 years of age; 160 pounds in weight; dark brown wavy hair; full face; bluish gray eyes; square shoulders; occupation, furniture worker.

#### REMOVED.

ALLEN L. ALFORD, whose arrest is recorded in another column of this issue, pleaded guilty and was sentenced to serve eight years in the Missouri State Penitentiary.

LAURENCE N. BAIRD, arrested in Chicago for defrauding a member bank of San Francisco, Cal., has been released from custody by the Chicago police, He has been previously referred to in the JOURNAL-BULLETIN\* for November, 1913, page 384.

L. CARENTGHOR, whose arrest is reported elsewhere in this issue, was released, as he proved to be simple-minded.

VIRGIL CATCHINGS and DAN RILEY were convicted of forgery and defrauding a bank member at Portland, Ore. They were each sentenced to serve from one to five years in the Oregon State Penitentiary.

ROLLA CHRISMAN, alias E. S. Evertson, alias McFarland, alias Wilson, concerning whom articles appear on page 763 of the May, 1913, and on page 283 of the October, 1913, JOURNAL-BULLETIN, was, on October 28, 1913, convicted on a charge of forgery in the second degree and sentenced to three years in the Missouri State Penitentiary.

STEPHEN DEMMON, bogus draft operator, who was arrested at Shelbyville, Ky., during August, 1913, and returned to New Orleans, La., was recently discharged on account of lack of evidence. At the time of his discharge this party was given a certain number of hours to leave the city and instructed to keep out of the state of Louisiana in the future. Demmon is understood to be now in Gulfport, Miss. JOURNAL-BULLETIN, September 1913, page 223, and October, 1913, page 283.

JAMES DOSTAL, alias James Jlisk, alias Frank Flidr, alias Vaclay Flidr, arrested for having defrauded a member bank at Cedar Rapids, Iowa, has been sentenced to the Iowa State Reformatory at Anamosa, Iowa, for an indeterminate sentence of from one to fifteen years. Vaclay Flidr, which is his right name, was mentioned in the JOURNAL-BULLETIN for June, 1913, page 840 and August, 1913, page 105.

JAMES B. GROOMS, alias W. T. Williams, alias John R. Stillson, whose arrest was reported on page 284 of the October, 1913, JOURNAL-BULLETIN, entered a plea of guilty to a charge of forgery on October 25, 1913, and was sentenced to serve an indeterminate term at the Ohio State Reformatory, Mansfield, Ohio. He is also wanted for forgery in Kansas and St. Paul, Minn.

JUSTIN HINSHAW, whose arrest is reported in another column of this issue, was tried, convicted and given an indeterminate sentence in the State Reformatory at Hutchinson, Kan.

ABRAHAM J. JOHNSON, alias A. J. Johnson, alias Andrew J. Johnson, alias S. S. Shutt, alias W. H. Martin, alias W. H. Haller, alias C. M. Forder, whose operations were mentioned in several issues of the JOURNAL-BULLETIN, and whose arrest was reported in the July, 1913, issue, page 44, was, on October 4, 1913, indicted by the Grand Jury of St. Marys County, Mo., on a charge of obtaining money under false pretenses; was tried, convicted and sentenced to two years in the Missouri State Penitentiary.

As JOHN JOHNSON, whose arrest is reported elsewhere in this issue, is only seventeen years of age, he was given a suspended sentence on condition that his mother take him to Oklahoma and keep him there.

A. L. KERR, whose arrest was reported on page 107. of the August, 1913, JOURNAL-BULLETIN, pleaded guilty to a charge of forgery on October 27, 1913, at Springfield, Ohio, and was given an indeterminate sentence in the Ohio State Reformatory. At the expiration of this sentence, a requisition from the Governor of Nebraska will cause his removal to Lincoln, Neb., where he is also wanted for forgery.

WILL LEWIS, whose arrest is reported elsewhere in this issue, pleaded guilty to forgery in the fourth degree before Judge Shelton at Shelbyville, Mo., and was sentenced to two years in the Missouri State Penitentiary. Lewis is described as follows: 25 years old; 5 feet 9½ inches tall; weight, 165 pounds; medium stout; black and kinky hair; maroon eyes; dark brown complexion; was born in Alabama; laborer by occupation.

BYRON G. MAGOON, mentioned on page 183 of the September, 1912, and on page 388 of the December, 1912, JOURNAL-BULLETIN, on October 27, 1913, was convicted on a charge of forgery perpetrated against a bank member at St. Helen's, Ore., and sentenced to serve from two to twenty years in the Oregon State Penitentiary.

CARL W. MEYRICK, reported in the "Arrested" column of this issue, pleaded guilty and was sentenced to serve two years in the Missouri State Penitentiary.

CLARENCE WALKER, arrested at Alexandria, Va., on October 23 1913, at the instance of our detective agents, on a charge of forgery on the bank of a member at Louisa, Va., was brought before the Circuit Court of Louisa, Va., on November 20, 1913, was adjudged guilty and was sentenced to two years in the Virginia State Penltentiary at Richmond, Va.

#### AWAITING TRIAL, EXTRADITION OR SENTENCE, DECEMBER 1, 1913.

#### ALLEGED FORGERS, ETC.

Adams, Roy D., September 6, 1913, arrested; Ainsworth, J. S., August 17, 1913, arrested; forgery Monroe, La.

Albers, Hans Otto, August 25, 1913, arrested; forgery Chicago, Ill.

Ayres, Thomas C. B., June 6, 1913, arrested; forgery Los Angeles, Cal. Bailey, Mrs. Ray, April 30, 1912, arrested; forgery

Waterloo, Ia. Ballard, Howard W., August 13, 1913, arrested; forgery Miami, Okla. Barrett, Steve, September 3, 1913, arrested; forged

check Albuquerque, N. M.
Becker, Garrett, October 11, 1913, arrested; for-gery Detroit, Mich.
Beresford, O. J., July 9, 1912, arrested; swindle

San Pedro, Cal.

Bernard, Harry, November 23, 1913, arrested;

swindle Larned, Kans. Black, Joe, September 23, 1913, arrested; swindle

Paducah, Ky.
Booker, E. W., January, 1913, arrested; forgery Booker, E. Auxvasse, Mo. Burns, Cha Charles D., October 23, 1913, arrested;

swindle Portland, Ore.

Burtis, Otto, December, 1912, arrested; swindle
Bluffton, Ind.

Bush, J. A., Wenatchee, Wash. A., May 29, 1913, arrested; forgery Calistano, Tony, March 7, 1913, arrested; forgery

Cleveland, Ohio, Campbell, James M., May 22, 1913, arrested; swin-

Carbuhn, Julius C., August 1, 1913, arrested; for-gery Sumner, Wash. dle Los Angeles, Cal.

Carpenter, Frederick H., May 11, 1912, arrested; forgery Providence, R. I. Casper, Charles J., August 31, 1912, arrested; for-

gery Steger, Ill. Chestnut, W. P., July 8, 1913, arrested; forgery

Americus, Ga. Cohen, Samuel, March 15, 1912, arrested; forgery

Boston, Mass. Cole, C. E., January 15, 1912, arrested; swindle anta, Ga.
Collins, T. J., September 19, 1912, arrested; swin-Atlanta,

dle Helena, Ark. Conn, A. H., September 25, 1913, arrested; theft

Hazlehurst, Miss. Cooper, --, May, 1913, arrested; forgery New

York City. Coover, Van R., April 12, 1913, arrested; forgery Kern, Cal.

Deckman, William, September 8, 1913, arrested; forgery Kansas City, Kans.

De Lone, L. E., November 17, 1913, arrested; swindle Pittsburgh, Pa.

Dinkins, Robert, August 8, 1913, arrested; forgery

Elwood, Ind. Douglass, George, April 10, 1913, arrested; forgery

Rochester, N. H. Dulaney, Aquila H., November 12, 1913, arrested; forgery St. Louis, Mo.
Dupars, M., August 28, 1913, arrested; swindle

El Paso, Texas.

Ehraso, Texas.
Eberman, S. S., June, 1913, arrested; attempted swindle Green River, Wyo.
Ellars, William A., February 11, 1913, arrested; forgery Fort Worth, Texas.
Estes, H. E., June 5, 1913, arrested; swindle White

City, Kansas.
Fitzgerald, Thomas, March 15, 1913, arrested; attempted swindle Kansas City, Mo.
Fowler, Frank W., April 30, 1912, arrested; swin-

dle Chicago, Ill. Frankel, Herbert, November 17, 1913, arrested; swindle New Britain, Conn.

Frierson, Chauncey L., November 5, 1913, ar-rested; forgery Kansas City, Mo. Frost, William, October 31, 1913, arrested; forgery Waubay, S. D.

Gerwitz, Merrill, June 30, 1913, arrested; forgery

Cattaraugus, N. Y.
Giles, L. W., September 22, 1913, arrested; forgery Springfield, Mass. gery Springfield, Mass.
Glasgow, George W., November 20, 1913, arrested; swindle Covina, Cal.

Golden, S. L., September 8, 1913, arrested; forgery New York, N. Y.
Gray, S. H., November 12, 1910, arrested; forgery
Athens, Tenn.

Grout, J. E., May 20, 1913, arrested; forgery Kansas City, Mo.

Grubb, Ray, August 1, 1913, arrested; forgery Woodward, Ia. Halken, Esther, May 28, 1912, arrested; forgery New York, N. Y.

Hammond, Allie, June 3, 1913, arrested; swindle Clymer, Pa. Hank, Warren, May 13, 1911, arrested; attempted

Hank, Warren, May 13 swindle Wapakoneta, Ohio. Harper, W. E., November 7, 1913, arrested; forgery Tulsa, Okla.

Hawley, Willard, June, 1913, arrested; forgery Houston, Texas. Hayes, Charles F., November 3, 1913, arrested;

forgery Marlboro, Mass Henifer, Charles, January 16, 1913, arrested; forgery Richmond, Va. Hewitt, W. A., October 16, 1913, arrested; theft

Jackson, Miss. Hoel, C. J., May 29, 1913, arrested; forgery Pueblo,

Holtslander, Frank, Jr., June 12, 1913, arrested; forgery North Platte, Nebr.
Hornung, John Henry, July 17, 1913, arrested; forgery New York, N. Y.

Houston, J. L., April 24, 1912, arrested; swindle Chicago, Ill.

Hudson, John E., November 19, 1912, arrested;

swindle Beeville, Texas.

Hunter, Alfred, November 25, 1913, arrested; forgery New York, N. Y.

Hurst, W. R., October 25, 1913, arrested; forgery Oriska, N. D. Walter, April 25, 1913, arrested; swindle Isaacs, Walte Kingsport, Tenn.

Johnsen, A. York City. A. R., July 25, 1913, arrested; forgery New Johnson, Latus, August 25, 1913, arrested; forgery Brownsville, Texas.

Jordan, J. A., April, 1913, arrested; swindle Redding, Cal.

Kauders, Sidney T., November, 1913, arrested; adle Milwaukee, Wis. swindle Milwaukee, Wis.

Keith, R. L., March 26, 1913, arrested; swindle Chattanooga, Tenn.

Kelly, Robert M., June 8, 1913, arrested; swindle Bishopville, S. C. Kirkpatrick, H. S., June 15, 1911, arrested; for-

gery West Point, Ga.

Lacy, Frank, January 28, 1913, arrested; forgery
Los Angeles, Cal. Lewis, Andy, August 15, 1913, arrested; forgery

Prestonburg, Ky. Leyser, Harold T., November 3, 1913, arrested:

forgery Chicago, Ill.

Lucas, R. Emmett, August 31, 1913, arrested;
swindle Los Angeles, Cal.

McClendin, Ella, June 3, 1913, arrested; attempted swindle Georgetown, Col.

McCoy, Thomas, September, 1913, arrested; swindle Marshfield, Mo.

McKelway, J. Walter, November 5, 1913, arrested; forgery Houston, Texas.

McReady, R., April 26, 1913, arrested; forgery Fort

Lauderdale, Fla.
Marcus, C. W., September 13, 1913, arrested; swindle Atlanta, Ga.

Mather, Fred R., July 26, 1913, arrested; swindle Cleveland, O. Matthews, Charles, July, 1913, arrested; forgery Denver,

Matthews, W. A., July, 1913, arrested; forgery Denver, Col.

Mattingly, C. B., March, 1913, arrested; swindle Beebe, Ark. Merritt, G. C., May 21, 1913, arrested; swindle

Des Moines, Ia. Meyers, Charles H., December 30, 1912, arrested;

swindle Eastman, Ga.
Mitchell, C. E., July 26, 1912, arrested; swindle Monroe, La.

Mitchell, Philip H., September 17, 1913, arrested;

swindle Bartlesville, Okla.

Montague, Lewis, November 20, 1913, arrested; swindle Columbia, S. C.

Morton, Chas. S., January 6, 1912, arrested; swindle Baltimore, Md. Neiss, William F., April 2, 1913, arrested; forgery

Los Angeles, Cal. Nelson, C. J., April 18, 1912, arrested; forgery Birmingham, Ala.

Newman, Ira, May 17, 1912, arrested; forgery Cairo, Ill. O'Connell, Charles, August 31, 1913, arrested; theft

Albany, N. Y.
Oliver, Claude, September 15, 1913, arrested; forgery Los Angeles, Cal. Palmer, Frederick George, March 15, 1913, ar-

rested; forgery Los Angeles, Cal.
Palmer, T. J., August 18, 1913, arrested; forgery
Chicago, Ill.

Willis, November 22, 1913, arrested; Palmer.

Panos, James, May, 1913, arrested; swindle Willits, Cal.

Perry, Chas. G., October 25, 1912, arrested; swindle Middletown, Pa.
Plum, William H., December 24, 1912, arrested; forgery Kansas City, Mo.

Posey, J. E., August 10, 1911, arrested; forgery Aiken, S. C. Rapp, Frank, September 2, 1913, arrested; for-

gery Chicago, Ill. Reedy, E. K., July, 1913, arrested; forgery Redlands, Cal.

Richason, M., January 1, 1913, arrested; swindle Kansas City, Mo. Robinson, E. L., November 12, 1913, arrested; swindle Attica, N. Y.

Rogers, C. R., August, 1912, arrested; forgery Cor-

dele, Ga.
Romero, C. D., December 14, 1912, re-arrested; forgery Springfield, Utah.
Gabrielle, October 23, 1913, arrested;

forgery Lakewood, N. J. Scherberg, C. W., February, 1913, arrested; swindle Grenada, Miss.

Schreiber, Herbert E., August 2, 1912, arrested;

swindle Denver, Col. Shivers, Vernon F., December 21, 1911, arrested;

forgery Lake Providence, La. Smith, F. J., September dle Sheridan, Wyo. September 9, 1913, arrested; swin-

Smith, Roy, July 12, 1913, arrested; forgery Longmont, Col.

Smith, W. J., October 10, 1913, arrested: forgery Akron, O.

Solheim, Ole Peter, July 17, 1913, arrested: forgery Minneapolis, Minn. Sonnenberg, Leo, March 22, 1913, arrested; forgery

New York, N. Y. Stone, Harry, November, 1912, arrested; forgery

Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.

Sullivan, Charles, September 7, 1913, arrested; swindle Munfordville, Ky.

Swingle Muniordville, Ky.
Suttle, A. J., Jr., October 9, 1913, arrested; forgery
Greeley, Col.
Taft, W. H., June 5, 1913, arrested; swindle Los
Angeles, Cal.

Tamble, Phil, June, 1913, arrested: theft Detroit.

Mich.
Van Leckwyck, Carl, October 2, 1912, arrested; forgery Plymouth, Mass.
Vincent, H. S., January 29, 1913, arrested; swindle

Walton, Harold, June 8, 1913, re-arrested; swindle New Orleans, La. Weil, Maechel, February 17, 1912, arrested; swin-

dle Chicago, Ill. West, Henry, May 19, 1911, arrested; forgery

Yuma, Ariz. Wheeler, Charles E., February 14, 1913, arrested; swindle Tulsa, Okla.

Williams, George A., August 1, 1913, arrested; for-

with the state of the state of

York City. York, G. A., January, 1913, arrested; raised check Waterville, Wash.

#### BURGLARS AND HOLD-UP ROBBERS.

Baggett, H. C., February 21, 1913, arrested; atpted burglary Talladega, Ala. tempted

Clark, William, April 14, 1913, arrested; burglary Mosier, Ore. Faulkner, Leon, June 2, 1913, arrested; attempted

burglary Yukon, Okla. Gagnier, Edward, April 14, 1913, arrested; burglary Mosier, Ore.

Karslake, A., March 19, 1913, arrested; burglary

Bastrop, La. Vivian, June 2, 1913, arrested; attempted Moorey, Vivian, Juburglary Yukon, Okla.

Morris, Frank, May 9, 1911, arrested; attempted burglary Layton, Utah.

Robinson, Harry, March 19, 1913, arrested; bur-

glary Bastrop, La.

Robinson, Mrs. Harry, March 19, 1913, arrested; burglary Bastrop, La.

Wilson, Charles, February, 1913, arrested; attempted burglary Vera, Okla.

# STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

# AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

#### From September 1, 1913, to November 30, 1913.

Persons arrested, discharged, convicted, sentenced, awaiting trial, etc.

New York, N. Y., December 1, 1913

l, etc. 1913. Trial, 191 191 Trial or 1, Arrested Sin September, 1 Discharged Acquitted. Awaiting The September s in ber. OF Convicted Escaped of Fugitive. Awaiting Arrests al. Tot 130 48 23 72 50 16 1 134 Forgers. 12 10 1 72 16 144 143 48 23 53 1

# **AMERICAN** UTE OF BAN

Contributions for this Department must be received by the Educational Director of the Institute not later than the 20th of the month preceding publication.

# INSTITUTE ADMINISTRATION.

EXECUTIVE COUNCIL.
1914.
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1916.
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		Baltimore, Md.	

w.	В,	With	Lackawanna Sc	Trust	& Safe	Deposit	Co.,
				,			

Five Nassau Street, New York City. GEORGE E. ALLEN..

#### POST-GRADUATE ESSAYS.

Report of the Committee Appointed by the Executive Council of the Institute to Pass Upon Essays Submitted in the Post-Graduate Contest—H. J. Dremitted in the Post-Graduate Contest—H. J. Dreher, President of the Institute, and James H. Daggett, President of Milwaukee Chapter, Win the Honor of Being the First Two "Associates of the Institute"—Honorable Mention for Alexander Wall of Milwaukee and Walter A. Mueller of Chicago.

T the annual convention of the American Institute of Banking, held at Salt Lake City in 1912, a system of Post-Graduate study was adopted. was intended to stimulate an interest in the study of banking and business problems. A comprehensive course was prepared covering an investigation of the world's banking history and of present-day monetary systems, as a basis for the study of current problems. The main object of the new course as described in the report of the Post-Graduate Committee "is to develop men, who, being capable of doing their own thinking, having the ability to weigh facts and being thoroughly grounded in the principles of economics and banking, will be able to successfully cope with the many problems that are before the banking world to-day.

The system adopted provided:

"1. That a suitable standard shall be fixed and maintained through the preparation of essays on subjects prescribed annually by a committee of graduates. Such subjects shall be of a character to encourage the expression of original thought on the part of the

the expression of original thought on the part of the student.

"2. The merits of the essays, thus submitted, shall be determined by a committee of three or more judges, selected by the Institute Executive Council.

"3. Authors of essays approved under such provisions shall be known as 'Associates of the American Institute of Banking.'"

Under the provisions, twelve essays fictitious names were submitted as follows: essays bearing

Two essays on "Political Considerations in Financial Legislation."

Two essays on "Evolution of Bank Checks and Their Effect on Currency Issues."

Three essays on "Centralization versus Diffusion

in Control of Money and Credit."

Four essays on "Agricultural Credit and National Development."

One essay on "Public Education in Banking and Finance."

The Executive Council appointed the undersigned

as a Committee of Judges to determine the relative merits of the essays.

Careful consideration has been given to the twelve papers submitted. In this work we have been assisted by Professor Charles A. Green of the Polytechnic Institute and by other recognized authorities. In judging each paper, attention was given to style, depth of information and study, subject matter, accuracy in authorities cited and soundness in original

curacy in authorities cited and soundness in original thought, deductions and arguments.

Of the twelve essays, approval is given to one submitted by "Imar" bearing the title "Political Consideration in Financial Legislation" and also to one submitted by "James Thompson" entitled "Agricultural Credit in National Development"; both excellent papers of high standard, reflecting credit to the authors and to the Institute. These two men have the honor of being the first to be known as "Associates

Honorable mention is given to "Valentinus" who submitted a paper on "Evolution of Bank Cheeks and submitted a paper on "Evolution of Bank Checks and Their Effect on Currency Issues" and to "Skelly" whose essay was on "Centralization vs. Diffusion in Money and Credit"; both splendid papers.

The eight other papers were very creditable and to the authors we extend words of encouragement and to the authors we extend words of encouragement and

urge them to continue their studies and to submit essays in the future.

We believe that excellent progress has been made in the Post-Graduate course. However, if the title of "Associate of the American Institute of Banking" is of "Associate of the American Institute of Banking" is to carry with it the prestige it deserves, it will be necessary to have a high standard established in passing upon the merits of essays submitted. Au-thors of essays should have a thorough knowledge of fundamental banking, economic and business prin-ciples; a familiarity with present day conditions, a broad-minded viewpoint, a mastery of plain English, and an ability to make sound original deductions and arguments. arguments.

OF

The work assigned to us has been of much interest and a source of great pleasure and we are

grateful for the opportunity

Respectfully submitted. James G. Cannon, Fred I. Kent, J. A. Broderick.

## Successful Contestants.

"ILMAR"—H. J. DREHER, PRESIDENT OF THE INSTITUTE, ASSISTANT CASHIER OF THE MARSHALL AND ILSLEY BANK OF MILWAUKEE.

"JAMES THOMPSON"—JAMES H. DAGGETT,
PRESIDENT OF MILWAUKEE CHAPTER, WITH
THE MARSHALL AND ILSLEY BANK OF MIL-WAUKEE.

#### Honorable Mention.

"SKELLY"—ALEXANDER WALL OF THE FIRST NATIONAL BANK OF MILWAUKEE, MEM-BER OF MILWAUKEE CHAPTER. "VALENTINUS"—WALTER A. MUELLER OF THE UNION TRUST COMPANY OF CHICAGO,

MEMBER OF CHICAGO CHAPTER.

#### MR. DREHER'S ESSAY.

#### Political Considerations in Financial Legislation.

the progress of men through the centuries, many instruments of their creation have attained for limited periods of time positions of large importance and great power and, their usefulness assed, have then vanished into the dim recesses of History's recorded pages. Outside of the primal religious instincts of men which have ever occupied a distinctive sphere, the evolutionary processes transforming society from primitive chaos to its present complex state of civilization, have expressed themselves most abundantly in two fields of endeavor—the attainment of the largest measure of liberty and the creation of systems capable of insuring material prosperity. The first finds its climax in a republican form of government; the second in a banking system fulfilling in its every phase all legitimate demands of a people whose energies most prodigally have been n to the satisfaction of material needs.
"Politics," says Sidgwick, "concerns itself with

"Politics," says Sidgwick, "concerns itself with governed societies regarded as possessing government—that is, societies of which the members are accustomed to obey, at least in certain matters, the directions given by some person or body of persons forming part of the society." The actions of those in authority, which is included. in authority, whether individuals or organized bodies, tending toward the framing of ordinances which the must obey, are therefore, in simplest

body politic m terms, political. By general

By general assent, the true standard by which legislation is to be justified or condemned is its conduciveness to the general welfare. The great mind of Alexander Hamilton early advanced the basic prinor Alexander Hamilton early advanced the basic principle that a government has of right the power to employ all means requisite to the exercise of sovereign power not precluded by organic law, or not immoral, or not contrary to the essential ends of political society. This argument later received the sanction of Chief Justice Marshall and generally may be accepted

chief Justice Marshall and generally may be accepted as a definite postulate of political action.

Men in every age have attempted through political means to realize the ideals, or provide the necessities which appeal most strongly to their generation. The absolute, or substantially unanimous, agreement of men on a subject so vital as to effect either liberty

or material welfare has rarely, if ever, been obtained. In the age-long struggle between liberty and privilege which forms so large a part of history, the relation of liberty to wealth and the systems by which its power is advanced or retarded has been so close as to often practically obliterate the line of demarcation.
Only the perspective of distance, and the impartial processes of criticism and elimination by which truth is attained, have clearly defined the limits which each occupied.

BANKERS

occupied.

No phase of political action presents more interesting facts for contemplation and study than does that of financial legislation. None is fraught with greater capacities for division, for partisan rancor and prejudice, for retardation of material progress and for results extending through generations.

In a republic the largest field for political action obtains. The very structure of government invites, to an unusual degree, the participation of citizens in its functions. No criterion has yet been indicated to defermine with any measure of certainty the trend which political thought shall take. Uniformity of acwhich political thought shall take. Uniformity of action is largely unknown. So complex is American society that interests entirely confined to a locality of very limited dimensions often decide a momentous question of great national import. Prejudice has achieved successes which must have satisfied its fondest desires, while ignorance has dethroned truth and the apparent lessons of history and temporarily deterred the course of immutable laws.

As the Republic emerged from its provincial state and exhibited that potential capacity for achievement which has, in the last quarter century, manifested it-self in such large degree, it was inevitable, having the example of many older nations and the experience of their people as a guide, that thinking men should hope

for a sound financial system.

The exigencies of war had compelled the Continued continued existence was impossible, of emitting Bills of Credit. The pledge of the full faith of Congress to take the action, without which continued existence was impossible, of emitting Bills of Credit. The pledge of the full faith of Congress was given and a method of redemption was recommended to the States. Legal tender qualities, however, were not directly imparted to the notes with the inevitable result of marked depreciation. By November, 1779, the ratio between notes and specie was 38½ to 1.

An intolerable situation developed which was relieved by the adoption of the Constitution. The emission of Bills of Credit was by that instrument prohibited to the States, although the United States was not specifically denied a similar power. This led to a division of opinion on constitutional construction which furnished prolific discussion through many succeeding years and until comparatively recent times.

Hamilton, in 1789, became Secretary of the Treasury and immediately applied his great powers to devising a sound financial policy. Foremost in necessity in such a system, he placed a federal bank. Political opposition at once developed. The merits and needs opposition at once developed. The ments and needs of a bank were subordinated to questions of constitutional interpretation. Washington was in doubt as to the legality of the bank. Randolph and Jefferson were firmly opposed, and so stated. Hamilton strongly favored the establishment of the bank and in a very able paper set forth his belief in its constitutionality and his wonderful conception of a nation strong enough to provide every necessity which its welfare should demand. After a service of great value to the Government in its fiscal operations, and as a regulator of the currency, a new charter was refused the bank on two grounds entirely political in their nature—foreign control and constitutionality. The assets of the institution were acquired by Stephen Girard of Philadelphia and so is recorded the first triumph of collitical propers accordingly political propers. should demand. After a service of great value to the

political power over sound financial policy.

As the First Bank of the United States received As the First Bank of the United States received its charter through conditions resulting from war, so also did the second. The war of 1812 and consequent needs arising from it gave the primary reason for its establishment, and oddly enough its founders were the strict constructionists of the party of Madison and Lofferness the destroyers of the First Pank. Jefferson, the destroyers of the First Bank.

No period of American history is more interesting to the reader, none exhibits to such a marked degree the partisanship and prejudice which dethrone reason and exalt ignorance and passion on a plea of strict

adherence to fundamental law, than does that which commenced with the charter of the Second Bank of the United States and waned from the time of its final destruction. The intensity of feeling produced riots, gave to an extremely popular man a weapon of great strength in carrying out his avowed purposes, breached behalf a proposed production was a strength of the state of the sta brought about an open and serious rupture between two branches of government, and caused the pursuit of one of the most unjustifiable economic policies which has distressed the people of our country. And at the end, a condition of distress prevailed which caused attempted measures of alleviation to furnish one of the most dishonorable chapters of financial history.

The Bank of the United States was chartered in 1816 for a period of twenty years, with a capitaliza-tion of \$35,000,000, seven millions of which were furnished by the United States. The notes of the bank were accepted for all payments due the United States, The notes of the bank and the bank was made depositary of Government and the bank was made depositary of Government funds. The corporation was authorized to establish branches anywhere in the United States. Any individual, company, corporation, or State was permitted to subscribe for stock. The government of the bank was vested in a Board of twenty-five Directors, five of whom were to be appointed annually by the President of the United States by and with the advice and consent of the Senate. No Director was permitted to hold a similar office in any other bank. Specie payments were compelled against the redemp-

tion of circulation.

The charter of the bank was, in the main, sound in principle, and its powers were ample to render efficient service. Although much has been declared to the contrary, and though some of the policies pursued were not of largest wisdom and some entirely unjustifiable, if not wicked, an examination of the history of the bank confirms belief in the fact that it ren-dered, through the largest part of its existence, an

indispensable service.

It was brought into being in a period of expansion. State banks with little, if any, regulation and restriction were furnishing, mainly by emission of paper bills passing current, but without a specie reserve, the financial accommodations necessary in a State of pioneer development. Upon these large profits were realized and profits, and not safety, became the sole standard by which the volume of emissions was determined.

To remedy the distress occasioned by a depreciated and unlimited currency, it was essential to have a regulator strong enough to compel the payment of currency in specie upon its presentation for redemption. This the Bank of the United States undertook to do. In fulfilling this purpose, the possession of branches was the most characteristic and essential feature of the plan, for without them the bank would have been unable to exercise the efficient control over have been unable to exercise the efficient control over State banks necessary to provide an extended cur-rency of uniform value. Nor would it have been capa-

ble of furnishing discount and exchange accommoda-tions throughout the country.

As the branches caused the greatest hostility of the State banks and utlimately raised the question of constitutionality, a brief consideration of the service which they rendered is essential. Though not always administered in the wisest manner, and sometimes making loans not in strict accord with principles of making loans not in strict accord with principles of sound and conservative banking, entailing distress upon the main office, they nevertheless were indispensable in carrying out the purposes for which the Bank of the United States was founded. Without branches, the circulation of the bank would have been insignificant in quantity and could not have been either general or uniform. They made the paper not only more eral or uniform. They made the paper not only more convertible, but also more elastic by issuing it in response to the demands of the various localities in which they operated and retiring it when those demands ceased to exist. By means of branches, loans were supplied to the West and South at a cheaper rate of interest than was otherwise possible, thus developing, as nothing else could, the inciplent industries of those regions. Through the branches, and through them alone, was made possible the exercise of tries of those regions. Inflough the branches, and through them alone, was made possible the exercise of a control over the issues of State banks which gave to the nation the best currency which had yet existed. The weakness of the branch system, however,

was to be found in the exercise of inadequate control by central authority. But in a new country where the distance between main office and largest branch was only accomplished by six weeks of travel, of necessity the welfare of the business depended largely upon subordinate officials. A pioneer country is interested primarily in loans on real estate security, which in their nature must be for long periods of time. Without these loans, the volume of business, and consequently the opportunity for profit, would be slight, and though a sound banking judgment clearby specified the danger, the hostility of people refused accommodation, overcame principles to which good judgment would otherwise have adhered, and caused the adoption of a lenient loan policy.

The Bank of the United States unquestionably furnished the country with a strong circulating medium of sufficient volume. In amount, its highest annual average was less than two-thirds of the capital stock of the bank, the maximum amount capable of being issued. The largest amounts were issued in the West and Southwest, the fields of greatest profit. notes, however, were not unrestrictedly convertible, being redeemable only at the office at which issued. During the continuance of this arrangement, depreciation to continuance of the process of the continuance of the con tion to an amount equal to 4 per cent. was known, although ½ per cent. to ½ per cent. obtained during the latter years of the bank. Notes in denomination of five dollars were received at par at all offices, notes of larger denomination were not of necessity, but usually received at face value, and all notes offered on account of the Government were everywhere received at par. Issuing branches paid their own notes at par as did the main office at Philadelphia. Specie was scarce and its payment was seldom demanded. Consequently, there was no automatic check upon the issuance of notes, which tended at times to undue

expansion.

Perhaps the most difficult function performed by the bank was the preservation of a sound currency through a continuance of specie payments. No efforts were made by the numerous State banks to maintain were made by the numerous State banks to maintain specie reserve. The specie reserve of the Bank of the United States was much larger in proportion to its circulation than that of any other bank, being fixed arbitrarily at 33 1-3 per cent., although at most times an even greater reserve was carried. By maintaining at all times a creditor relationship to State banks, the Bank of the United States was enabled to carry out the function of withdrawing depreciated nearer out the function of withdrawing depreciated paper from circulation. The notes of the branches of the from circulation. The notes of the branches of bank being more desirable in trade than those State banks, exchanges were continually being made by holders which gave to the Bank of the United States large amounts of State bank notes. Presentation to issuing banks of these notes for payment was frequently made, thus compelling reduction in circulation, and also in discounts. By discounting less, and issuing fewer notes than State banks, the bank through the larger part of its existence maintained a creditor relationship and compelled a face value cur-rency. Bitter opposition was ever manifested to this rency. Bitter opposition was ever policy by States and State banks.

In addition to being a depositary of Government funds, and it was never considered other than a safe one, the bank transferred money from one part of the one, the bank transferred money from one part of the nation to another, in that period no inconsiderable task, and saved to the Government large sums in transfer charges. It made disbursements of Government funds for payment of the public debt, and also paid practically all pensioners. These services were performed without compensation. Loans were made to the Government at lower than market rates and temporary accommodations were freely extended, oftentimes without interest. The foreign exchange transactions of the Government were facilitated by

the bank in a way otherwise impossible.

Through the bank's arrangements with the Government, the nation directly benefited. The large sums collected from various sources by the Govern-The large ment were, through deposit in the bank, ever used by ment were, through deposit in the bank, ever used by it in making loans to the business community. Thus, the surplus funds of the Government were never locked up, but continually employed in the legitimate channels of trade. In like manner, the bank eased the distress occasioned by the withdrawal of large sums from the money market for payment of the public debt.

public debt.

The above enumeration of powers exercised and services performed, testifies to the existence of an institution conceived in wisdom and rendering in largest degree possible within the limitations of the period, essential services of inestimable value to Government and people. Why, then, should an institution conceived by necessity for the development of a nation of abundant resources, and the insuring of its people against the distress and destruction attendant upon an unsound financial policy, have been wilfully and ruthlessly impaired in usefulness? wilfully and ruthlessly impaired in usefulness?

Why, at a time when the bank was capable of largest service, when the nation needed a financial regulator such as no institution not similarly organized could be, and when time would, as it ultimately did, though under conditions of severe strain, justify the bank's existence and the need of its policy, should it have been deliberated destroyed?

it have been deliberately destroyed?

Against the politicians are laid up many offenses, but none of greater enormity than this, for cause did not exist, intellect was at loss to advance a reason, and justification after the lapse of years and in a time removed from the heat of the contest, is still unac-

orded.

In 1823 Nicholas Biddle became President of the Bank of the United States, and in 1829, on a rising tide of Democracy, Andrew Jackson became President of the United States. In that year, the bank was considered impregnable in popular favor. But it was a monopoly, and its doom was written in the platform of Democracy, for therein it was condemned as a social menace making "the rich richer, and the poor propers" and hence conductive of class distinction poorer" and hence conducive of class distinction.
Against it also were arrayed the strict constructionists of the constitution, the States, fearful of any encroachment upon prerogative, the State banks openly hostile, and the underlying current then, as now, sweeping through society of hostility of poor toward rich, of debtor to creditor.

In the first annual message to Congress of Presi-

dent Jackson, intimation of impending conflict is given in the following astounding words:

"Both the constitutionality and the expediency of the law creating this bank are well questioned by a large portion of our fellow citizens, and it must be admitted by all that it has failed in the great end of establishing a uniform and sound

currency." From members of Democracy, it soon became known that "the friends of General Jackson in New Hampshire have had but too much reason to complain of the management of the branch at Portsmouth" and in submitting a list of names for directors of the

and in submitting a list of names for directors of the Portsmouth branch, the Jackson members of the New Hampshire legislature placed thereon four of Jackson's adherents. Believing an attempt was being made to secure control of the branches for political purposes, the directors of the bank repulsed the attempt.

Most of the bank's officers and directors being affiliated with the political party opposing Jackson, charges were made by his followers that the bank was openly hostile. The answer to this is found in the fact that to a large degree, business men, from amongst whom officers and directors were of necessity chosen, were of the party of opposite political faith. The general stitude of Democracy, however, was hostile to whom officers and directors were of necessity chosen, were of the party of opposite political faith. The general attitude of Democracy, however, was hostile to the bank, and Jackson's position is best given in a letter to Biddle, in which, after freely expressing himself in a vein indicating his main objection to be a fundamental belief in the danger of a bank to society, he says, "I do not dislike your bank any more than all banks. But ever since I read the history of the South Sea Bubble, I have been afraid of banks." In Jackson's second message to Congress. he says

In Jackson's second message to Congress, he says of the bank:

"Nothing has occurred to lessen in any degree the dangers which many of our citizens appre-hend from that institution as at present organized. . . . It is thought practicable to organize such a bank with the necessary officers as a branch of the Treasury Department. . . . Biddle was much chagrined at this attitude and after many unsuccessful attempts to definitely win the sup-

port of the President for re-charter, he deliberately, in 1832, as the best course in his opinion, forced the bank into the political arena by having its application for re-charter presented to both houses of Congress on January 9th of that year.

When success seemed almost achieved, a resolu-tion was presented by its enemies directing an investi-gation of the affairs of the bank. Not a single charge gation of the affairs of the bank. Not a single charge of the resolution was substantiated, but the bank's doom was then sealed, for the large mass of the people, though incapable of analyzing the report through unfamiliarity with its substance, were convinced that something was wrong with the bank. They were to decide, and political success was assured to the opponents of the bank. The bill for re-charter was pressed, and after the acceptance of many amendments based upon sound banking principles, was passed by both bouses and sent to the President for passed by both houses and sent to the President for approval.

Jackson prepared a veto message of great length. No document in our political history has been the cause of greater excitement and discussion. Devoid of the sound economic reasoning upon which sanction or rejection alone should have rested and which the times demanded, it was an appeal to prejudice, and as such, was truly remarkable in the results achieved. tenor may best be realized by excerpts such as these:

"It appears that more than a fourth part of the stock is held by foreigners and the residue is held by a few hundred of our own citizens, chiefly of the richest class. For their benefit does this exclude the whole American people from competition in the purchase of this monopoly and dis-pose of it for many millions less than it is worth."

"Suspicions are entertained and charges are made of gross abuse and violation of its charter. An investigation unwillingly conceded and so restricted in time as necessarily to make it incomplete and unsatisfactory discloses enough to excite suspicion and alarm."

"It is to be regretted that the rich and powerful too often bend the acts of Government to their selfish purposes.'

"... but when the laws undertake to add to these natural and just advantages artificial distinctions, to grant titles, gratuities, and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics, and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their Government."

We can at least take a stand against. any prostitution of our Government to the advancement of the few at the expense of the many. . . .

In the election campaign which followed, the bank was the paramount issue. Up to this time it had was the paramount issue. Op to this time it had in the main refrained from political activity. Biddle had early taken a stand against political influence determining the composition of the directorates and adhered, as far as possible, to this principle. Much stress was laid upon a subsidization of the press by stress was late upon a substitution of the press by the bank. It was a charge not without merit. Biddle sincerely believed much of the opposition was the result of ignorance and took this means of dispelling it. During the campaign, the bank distributed publications in its behalf. Jackson was overwhelmingly elected, but the directors, still hoping for a new charter, decided not to commence a winding up of

The final period of the bank's existence, however, had been reached. Open hostility was declared and the bank's future was to be determined on a political the bank's future was to be determined on a political field. The President's message of 1832 asks for an inquiry into the affairs of the bank, apprehension being expressed that it may no longer be a safe depositary for public funds. The House, composed largely of Jackson adherents, on March 2, 1833, by a vote of 109 to 46, declared that the deposits were perfectly safe in the custody of the bank. Jackson took advice as to removal of the deposits and all opinions of weight, financial and legislative, were decidedly adverse to the contemplated action. On September 13, 1833, he read to the Cabinet his paper, prepared by Taney, justifying the removal of deposits.

Biddle then commenced a policy of contraction so disastrous in result and causing so much distress and suffering as to merit most severe condemnation. bank through its excessive contraction placed itself in an impregnable position, but at the expense of the country. Prostration of trade and credit was or the country. Frostration of trade and creat are complete. By the last of January, 1834, discount rates ran from 1½ per cent. to 3 per cent. per month. The reductions made by the bank were in excess of any possible danger and continued long after such danger threatened. Vindictiveness assumed too large a part in this policy. Biddle believed its effect would result in a re-charter. These hopes were soon blasted, however, by the righteous indignation of the people against the unwarranted contraction of the bank. against the unwarranted contraction of the bank. A resolution of the legislature of Pennsylvania, stronghold, heretofore, of favorable sentiment, resolved "that the present Bank of the United States ought not to be re-chartered by Congress." On March 23, 1834, after much pressure, the Directors agreed those should be a further contraction unto agreed there should be no further contraction up to the first of May, next. This decision appeared to most men as proof conclusive that either the contraction had been inexcusable or else the relief was, and the bank fell in the estimation of many sup-porters. The wind-up was commenced and the bank porters. took out a charter under the laws of Pennsylvania.

Politics had triumphed for a second time. stitution rendering an essential service through the larger part of its existence in an honorable and sound manner, until unwarranted hostility provoked the inauguration of a policy much to be deprecated, was destroyed by those who most needed its continuation. It seems to be an inherent characteristic of men, when aroused by a plea to class prejudice, to destroy through political action those things

needs alone created.

Institutions are impersonal and easily disintegrate. but men not only suffer themselves, but cause distress to future generations. And yet in the apparent tri-umph of political tenets which time and truth must condemn as an unwarranted obstacle in the progress of immutable laws, they deliberately suffer and become oblivious of the future in the temporary satisfaction which political victory affords.

Andrew Jackson had destroyed the "monster of corruption," the "hydra," the "mammoth" he so much decried. He had triumphed by an appeal to prejudice and he loomed high in contemporary history. But was his victory best for the nation? The results long survived Andrew Jackson, the work which he wrought has not yet ceased to have its effects upon the financial policies of our country.

In considering the effects of an action so serious as this, two factors present themselves for considera-tion, one—how much accelerated and greater would the nation's development have been had the destroyed institution continued to function, and the other—what have been the immediate and most apparent results of its destruction. To answer the first would be to conjecture; to answer the second, we turn to the records of history.

The period following the bank's destruction was one of great expansion. A generous credit system of the Government toward land purchasers produced resulting speculation. Borrowers found ready accommodation at local banks and with the loans thus secured made their payments to the land receiver. The Government redeposited the funds thus derived in the bank from whence they came, which immediately became the basis of more loans. The Govern-ment and banks became involved in a network of credit. Speculation was rampant throughout the nation. Circulation and loans increased to enormous amounts. In 1836, the Treasury Department issued a circular directing that the Government should not pay out any banknote of any denomination unless the same was payable on demand in gold or silver coin at the place where issued. The direct result of this action was the panic of 1837, although other causes not resulting from mistakes in this country contributed. Commercial distress was deep-seated and specie payments were not fully resumed until 1842. The circulation was contracted from \$149,000,000 in 1837 to \$83,000,000 in 1842, lowering prices, and depriving some sections of the country of a circulating medium.

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To satisfy the needs arising from the want of a Government bank, President Van Buren proposed an Independent Treasury system, but without any prohibition on the Treasury to receive only the bills of specie paying banks. In 1840, a bill was passed establishing such a system, containing a compromise, however, on specie payment. In 1841, upon Whig ascendancy, the law was repealed and another Bank of the United States was proposed. The need of such an institution was again strongly urged. Great time was consumed in argument by Congress and President Tyler, and nothing being accomplished, political disagreement preventing, Government funds were again deposited in State banks. In 1846, the Independent Treasury was re-established, but Treasury notes were added to gold and silver as receivable for public dues.

During the period of 1837 to 1861 when State banks were carrying on a banking business without the restraints which the Bank of the United States had compelled, losses by bad banking methods, par-ticularly in Western States, were large. Positive de-ception and fraud were common. The Supreme Court of the United States in two decisions confirmed the right of State controlled banks to issue notes, and further held that the right to issue banknotes a common law occupation open to all men, subject only to State restraint and implying that the Na-tional Government had no control. In 1857 occurred tional Government had no control. In 1857 occurred another panic. The banks had freely issued currency and due to its rapid and very marked depreciation, the years of 1857 to 1861 witnessed many bank riots and much hardship and curtailment of business.

In 1861, the Government faced the greatest crisis in its history. Its debt was large and its credit poor. The notes issued by State banks were at a discount. The Government had no institution to which it could turn for accommodation and no way of raising extra-ordinary sums save through seeking funds in the open market. To meet this condition, notes of the Government with legal tender privileges were issued. T legality was a much debated question. As a necessity, the act of authorization was defended, though precedent and strict construction were against its use. And thus, after a lapse of years with all past experience to condemn, there was put into circulation a paper currency of the United States invested with legal tender qualities, but without a specie These notes undoubtedly contributed large degree to the preservation of the Union. Had a National bank existed, the result would have been accomplished at far less cost and without the sacrifice of sound economic policy.

As a direct result of the circulation of these notes, commodity prices rose, and the premium on gold violently fluctuated. It is estimated that the total effect of paper issues in increasing the cost of the war has been between 528 and 600 millions of dollars. this amount, large as it is, dwindles greatly in comparison with the burdens which inflated prices placed upon the people in the ordinary relations of trade and industry. By 1864, prices had practically doubled, and the loss to laborers resulting from diminished value of earnings was extremely heavy. As gold was neces-sary to the Government in the payment of interest on bonds, the high premium which it commanded and its lack of price stability was of large consequence to

the Treasury.

At the cessation of hostilities, Secretary McCulloch, carrying out the evident intent of the act which authorized legal tender notes as a war measure only. began the retirement of the greenbacks out of surplus revenue. But a considerable party was forming which believed in the continuation of the notes in circulation and their acceptance in payment of the public debt. Contraction was invested with a meaning which made it appear as a monstrous instrument of oppression. President Johnson, reflecting current political influence, treated the subject in his message of 1867. A wave of economic heresy swept over the people of the West. Crop failures and speculation with their resultant effects accelerated the movement. More money was wanted to cure the evils of inflation. Political power was once more in the saddle.

publican Congress, violating past pledges, prohibited further contraction through redemption. The Demo-cratic platform of 1868 stated the belief of the party in the continuation of greenback circulation and its

use in payment of the public debt.

In 1868, President Johnson, again reflecting the state of public opinion, placed in his message to Congress these words, ominous when emanating from the head of state: "The lessons of the past admonish the lender that it is not well to be over-anxious in exacting from the borrower rigid compliance with the letter of the bond."

President Grant in his inaugural declared for the

payment of the debt in coin unless otherwise expressstipulated, and for a resumption of specie pay-ents. In 1873, the coin value of legal tender notes, ments. which in January, 1872, had risen to nearly 92, fell below 85. In 1874, only the veto of President Grant prevented an increase in the amount of legal tender notes. Not until 1875 was provision made for the for the convertibility of the notes into coin after 1879.

One of the most interesting phases of this period

of inflation, and a typical example of political reasoning as opposed to economic truth, was the Greenback party, deliberately organized in good faith for writing The phiinto law statutes securing greater inflation. losophy of Greenbackism, a philosophy which expresses itself in every time of financial strain, has, as its basic idea, the belief that the issuance of currency is a governmental function not to be delegated to corporations. Currency had value only by sanction of government, and was to be measured by purchasing power and not convertibility. Money was, therefore, national and not international, and what the law declares money is money.

Measured by Greenback standard, resumption was effected by the Secretary of the Treasury directwas enected by the secretary of the Treasury in the payment of duties. In the campaign literature of the party, we seem to return to the days of Andrew Jackson, reading again the familiar accusation of the enslavement of the people by the bondholding inter-ests who, skilled and wise through years of experi-ence in old world and new, were seeking the perpetu-ation of bonded debt and the increased value of cur-

The history of the period is the usual one of flat money—inflation, disaster and loss. The political leaders, ever sentient to changing sentiment, were willing, in order to retain power, to delude the people in the bull wing that well was created by such a into believing that wealth was created by such a currency, and that despite fluctuations as high as 10 per cent., it was the best currency that could be devised. Significant it is that the opposition to the retirement of the greenbacks came in largest measure from the same section which had opposed the Bank of the United States in its efforts to provide a sound currency. The West and Southwest believed it was more currency they needed when capital was the great necessity. Politicians, many not desirous of meeting and solving the problems presented, and others entirely incapable of so doing, joined hands for the placating with inflation of a seemingly willing people.

Out of war have grown conditions leaving deep impress upon the financial history of our country. Twice, in order to insure a remedy for the attendant evils of inflated currency, institutions have been created capable, through powers conferred, of providcreated capable, through powers conterred, of providing a sound currency and also of serving as fiscal agent of the Government. Once, on account of the need of more currency to finance a crisis in national existence, the lessons of the past were ignored and the Government attempted by mandate of law to create a currency which, without specie reserve, should everywhere pass current at face value.

The two Banks of the United States after performing in largest measure, by sound methods and in honorable manner, the functions for which necessity created them, were for political reasons, despite continued need, deliberately destroyed. After the cause which compelled the issuance of legal tender notes had ceased to exist, which alone justified their for temporary purposes only, political expediency at-tempted to incorporate into our currency system notes not invested with qualities of coin redemption. The one was consequent upon the other, for, had a bank

existed, legal tender notes would not have been necessarv

Beneficent instruments of service and economic heresy seem to be incapable of distinction to those whose greatest desire is the retention of power. Economic law never fails to assert itself. If its course is diverted or deterred, it still overcomes and presses on to ultimate triumph. But the burden is borne in

on to ultimate triumph. But the burden is borne in distress by many thousands who, not understanding, ask but for the full fruits of their labors.

In a Republic, in which it is a boast that men are equal under the law, two banks of the United States were destroyed by an appeal to class prejudice, and through the growth of a distinctive party whose tenets were economic heresy enforced by appeal to class distinction, the shame of flat currency was almost given the deliberate sanction of law.

The spirit of prejudice is still striding through the land, affecting the machinery of legislation. Shall our country ever realize the time when, prejudice

our country ever realize the time when, prejudice shorn of power, the chosen representatives of the people shall dare to place upon institutions or laws filling a distinctive economic want the stamp of approval and defend their continuation against a destructive which the stamp of approval to the stamp of approval and defend their continuation against a destructive state of the stamp of approval. tion which very existence seems to invite?

Will courage be asserted to denounce, in face of temporary popular approval, the sanction of laws vio-

lently controverting economic truth?

#### MR. DAGGETT'S ESSAY.

# Agriculture Credit in National Development.

GRICULTURE is the basis upon which the industry of the country rests. Upon its prosperity as a fundamental industry depends the social and political well-being of our people. It is the natural source of our food supply and the existence of a healthy rural life is essential to our self

dependence. The early history of our country teaches us that a very large proportion of the population was engaged in farming. This continued true as the development of the country pushed westward. These early settlers took only of the best, using predatory methods, until much of the then fertile land has been exhausted and then abandoned. The time has now come when there are no more areas of virgin land available for cultivation and those engaged in agriculture must adopt methods of tilling the soil which will not only conserve the fertility of their lands but which will give the highest yield consistent with economical production.

It has been the policy of our country to encourage and build up nearly all of our industries. There is hardly a phase of our commercial life which has not had the aid and protection of our government. This is as it should be. Our infant industries have prospered until the United States takes rank with the leading commercial nations of the world. But we must not be guilty of the fallacy of building up this vast commercial structure at the expense of an agricultural decline. There must be a proper co-ordina-tion between the two.

That agriculture has not kept pace with the other economic activities of the country is shown by the census of 1910. The population of the United States increased 21 per cent. from 1900 to 1910. During these same years the land used for farming increased only 4.2 per cent. The per capita production of cereals decreased from 58.4 bushels in 1899 to 49.1 bushels in 1909, a decrease of 9.3 bushels for each member of our population in 10 years, notwithstanding the fact that the production of cereals increased 1.7 per cent. during this period. The breadstuffs exported from this country in 1900 amounted to \$251,000,000; in 1910 the value of such exports amounted to only \$136,000,000, with an increase of \$13,000,000 in imports of the exported period to the country country that the country is the second to the country country that the country country country country country that the country country country country country country count of the same goods. It is clearly seen, therefore, that our production of agricultural goods is not keeping pace with the demands made upon it by our fast increasing urban population and that unless steps are taken to increase this production there will soon cease to be a surplus of foodstuffs for exportation. Inasmuch as the acquiring of a favorable balance of trade by any country rests upon the ratio between its exports and imports, this is a condition to be abhorred, for with the vast area of tillable lands at the country's disposal, the products of the soil should

take first rank amongst its exports.

The government of the United States, through its Department of Agriculture, has done much to increase the efficiency of the farmer. Nearly every State in the union has established agricultural schools where he may be taught methods of farming which will increase the productivity of his land. Bankers' associations, together with many others, have striven for the same end. The benefits which have thus accrued cannot be estimated. That they have been of benefit cannot be doubted. We are, however, confronted with the fact that although we have taught the farmer greater efficiency and better methods of agriculture, no adequate method of financing farm development has been provided and the farmer must often forego these improvements through lack of capital at his disposal. When he wishes to borrow funds upon the security of his land, which is the safest of all security, he cannot go into the broad investment market of the whole country and dispose of his mortgage, but must need borrow in his own locality and usually for short periods of time at varying rates of interest. That there is a pressing need for the establishment of a system of agricultural credit cannot be doubted. Agricultural credit should be two-fold in its ap-

Agricultural credit should be two-told in its application. It should be available to those already engaged in farming for purposes of development and should be capable of being acquired by those persons who have the character and ability for becoming successful farmers, but lack sufficient capital to allow their engaging in the business. Thirty-seven per cent. of the farmlands of this country at the present cent, of the farmiands of this country at the present time are occupied by tenants, who from the very fact of their tenancy pay very little heed to the improve-ment or conservation of the farms which they occupy, taking as fully as they may during the years of their tenancy, which, if not brief, is at most uncertain. If it were possible to borrow money cheaply and for long periods on the security of farm lands, not only would many of these tenant farmers become owners, but many people from other walks of life would turn to farming as a vocation.

farming as a vocation.

Many other nations have long recognized the necessity of providing the farmer with means of credit. This has been accomplished in many ways. Leading examples are the Raiffeisen and Schulze-Delitzsch Societies and the Landschaften Associations of Germany and the Credit Foncier of France. Raiffeisen Societies and the Schulze-Delitzsch Societies are very similar in their operations and are in

the nature of co-operative Credit Societies.

In the Raiffeisen Societies members of known honesty and industry are enrolled, membership in individual societies being limited to small localities; the liability of the members is unlimited, there being no share capital or dividends; officials of the societies receive no sålaries and all profits go into the reserve fund; loans are made for productive purposes only, after careful consideration by the loan committee. These small societies are associated together in one large society which serves as a clearing house for the exchange of information and permits of the loaning of funds by a society with a surplus of capital on hand through a sister society which may have a demand for it. The Raiffeisen Societies make loans running for comparatively short periods of time, on the personal credit of the member making the loan. Loans are seldom made on mortgage security. Aside from providing the members with credit facilities the societies engage in the co-operative buying of seed, implements, and supplies and in the co-operative marketing of their produce.

The Schulze-Delitzsch Societies are similar to the

Raiffeisen in many ways. They differ in that their capital is acquired through the sale of capital stock and their membership is composed of persons engaged in commercial rather than agricultural pursuits. They are more extensive in their operations and make much larger loans than do the Raiffeisen Banks.

The Raiffeisen Societies provide the farmer with short time credit for the growing of his crops and the marketing of his produce. We are, however, more particularly concerned at this time with the methods employed in furnishing long time agricultural credit, which has been attained in Germany through the Landschaften Associations. The first of these was organized in 1769 at a time when much of Prussia had been devastated by the ruinous Seven Years' War. Since most of the land was held in large tracts by the nobility the purden of restoration fell heavily upon them. By a decree of Frederick II issued in that upon them. By a decree of Frederick II issued in that year, these land owners were permitted to secure the capital needed for the development of their agriculture joining thmselves together and mutually guaranteeing the loans which as individuals they were unable to obtain. From this early beginning the Landschaften have had a wonderful growth. In 1909 the amount of mortgage bonds which these societies had outstanding amounted to \$837,000,000. The essential outstanding amounted to \$837,000,000. The essential features of the system are these: Loans are made upon first mortgages only and are limited to two-thirds of the appraised value of the property, the appraisal being made by the officers of the association who are indirectly employes of the State with power to sign certain public documents; against these mort-gages bonds are issued by the Landschaften which are readily salable, a great many of them being held by the Post Office Savings Banks. The length of time which the loan is to run is largely optional with the borrower; provision is made for the annual payment of interest and a small percentage of the principal for amortization, together with a fraction of 1 per cent. as a contribution toward the expense of the In case the borrower fails to meet his association. obligation to the association the entire loan becomes due upon six months' notice, and if payment is not then made the property is sold. Losses are small and then made the property is sold. Losses are small and are paid out of the reserve funds accumulated for that purpose.

Membership in the associations is open to all and a large part of their loans are under \$500, the average in 1903 being \$3,284. That these associations fulfill the purposes for which they have been created is shown by the fact that of the immense amount of bonds outstanding the majority bear an interest rate of 3½ per cent. The Landschaften are under the direct control of the Minister of Agriculture and are subject to examination under his supervision, such examinations being thorough and exacting.

In France the function of supplying agricultural credit is performed largely by the Credit Foncier, though there are in operation some societies similar in organization to those of Germany. The chief difin organization to those of Germany. The chief difference between the German Societies and the Credit Foncier lies in that the membership in the former is composed of members of the debtor class who have associated themselves together for the gaining of credit, while the members or shareholders of the Credit Foncier belong to the creditor class and have taken this means of investing their surplus funds. The Credit Foncier is a limited liability corporation operating under the supervision of the State. The company has a capital of 200,000,000 francs in shares of 500 francs, which shares are freely dealt in and may be owned by anyone. The State aided in the formation of the company with a subsidy of ten milformation of the company with a subsidy of ten millions of francs, since which time no further assistance has been necessary.

Clucasviff

The Credit Foncier engages in the business of making loans to municipalities and towns and creates and negotiates mortgage bonds. These mortgage bonds are secured by loans upon real estate, the amount of the loan being limited to one-half, and in some cases less than one-half, of the appraised value of the property and the amount of outstanding bonds must not be greater at any time than the amount due upon the mortgages by which they are secured. The company makes loans to landowners in two ways, i.e.: Short time loans, without amortization, running from one to nine years and long time loans for from ten to seventy-five years with an annual amortization of the principal. The interest rate on all classes of loans is the same, about 4.3 per cent., and the conditions under which the loan is made are favorable to the borrower in that he may at any time repay the whole loan or make partial payments thereon, thus reducing the amount of the annuity payments remain-The bonds of the company are sold by public subscription and are held largely by the small in-

vestors of France.

Upon these systems originated in Germany and France have been based the methods of supplying agricultural credit which have been adopted in countries all over the world. We find the land bank in use all over Europe, its advantages being seen by the dull-witted peasantry of Russia and Roumania as well as by the quicker witted Irishman. In Egypt we find the Agricultural Bank of Egypt with a capital of £2,500,000, the dividends on which are guaranteed by the Government, placing its enormous resources at the disposal of a people who in the past were little better than peasants, but who through the agency of cheap money are fast becoming a nation of landowners.

In New Zealand the Government has engaged in

in New Zealand the Government has engaged in the business of making State loans to farmers since 1895. Since that time, up to March 31, 1912, it has loaned about sixty millions of dollars on land security. The funds which it loans in this way are obtained through the issue of Government bonds, the principal market for which is found in London. The interest rate of these bonds is fixed by the Minister of Finance, but must not exceed 4½ per cent. and the issue is limited in any one year to £1,500,000. Loans to bor-rowers are made at the rate of 5 per cent. or less and it is claimed that profits have accrued to the Government amounting to about \$300,000 per annum in recent years. Previous to the engaging of the Government in the business of making State loans farmers were forced to pay 7 and 8 per cent. with commissions, aften bringing the annual interest paid up to 12 per cent. and with a limited amount of capital offered for cent. and with a limited amount of capital offered for investment. Since the Government became a competitor of those individuals engaged in making farm mortgage loans it has resulted in lower and more equitable rates on all such private loans, as the borrower has the State ready to furnish the loan if he is unable to make it on as favorable terms elsewhere. It should be noted that the State, by its advent in the mortgage lean business here not driven. vent in the mortgage loan business, has not driven private capital from this field of investment, a large part of which is still done privately, but through its intervention it has brought about a readjustment whereby it is possible for the New Zealand farmer to obtain credit on most favorable terms.

Australia has followed the lead of New Zealand and all of her States have authorized State loans to farmers and all are well assured of success.

Thus we find credit of easy access to the farmer of many lands, whether it be co-operative, semi-pub-lic or organized by the State. To the farmer of the United States it has been denied. In 1909 the State Massachusetts authorized the formation of Credit Unions similar in organization to the Raiffeisen Societies of Germany, but with a great many restrictions added which caused them to be cumbersome and resulted in the formation of only a few Unions, all of which were located in cities. Nearly all of the States in the Union have authorized the loaning of school funds on farm mortgages, but this amount in itself is so small as to remain a negligible factor. It is significant, however, in demonstrating their faith in the farm mortgage as security for public funds.

It has remained for the State of Wisconsin, long

foremost in new political and economic thought, to enact a law at the last session of its legislature which gives promise of much good. The law provides for creation of what it terms Land Mortgage Associations. The basic principles are similar to the Landschaften of Germany, adapted to suit local conditions. The process of organization prescribed is briefly as

follows:

Any number of adult resident freeholders of the State, not less than fifteen, may associate to establish a land mortgage association, the aggregate amount of capital stock of which shall not be less than ten thousand dollars, in shares of one hundred dollars each.

The control of the association is vested in a board of trustees which elects, from its members, the executive officers and a committee on leans.

Before any business may be done by an association it must adopt by-laws which must be

submitted to the State Commissioner of Banking and be approved by him.

The powers conferred on such associations by the act are:

To make loans and to accept as security for any such loan a first mortgage upon agricultural lands, forest lands or lands occupied by dwelling houses within the State, such loan not to exceed 65 per cent. of the value of the real estate so conveyed, if the same is improved, and not to exceed 40 per cent. if wholly unimproved. To issue bonds secured by the pledge of the

mortgages so taken.

A prospective borrower must make application to the loan committee, stating therein the purpose for which the loan is desired, which committee must be satisfied that the loan promises to benefit the bor-rower and must give their unanimous approval in writing before the loan can be made. Upon making application for a loan the borrower must cause his lands to be appraised by two freeholders of the town, city or village in which such lands are situated and must file with the appraisal papers a certificate from the assessor of incomes in his district stating that, the big explaint the appraisal value of the lands to be in his opinion, the appraised value of the lands to be mortgaged is not excessive. If the borrower is not satisfied with the valuation placed upon his lands he may appeal to the State Tax Commission for a revaluation. All expenses incurred in the examination of the title must be paid by the borrower and the law provides that he must annually pay an amount not to exceed 1 per cent. of the face of his loan as an allowance for the expenses of the association. Annual

amount of the expenses of the association. Administration of at least 1 per cent. of the original amount of the loan is compulsory.

A significant feature of the act, and one which should be productive of much good, provides that the soil of mortgage lands must be conserved carefully and authorizes the association to employ an expert depleted. The power for much good resulting from thus practically forcing scientific methods upon those becoming members of the association is great.

Penalties for non-payment of interest and principal when due, methods of making partial payments other than the 1 per cent. amortization previously re-ferred to, and many of the details of management are to the individual associations, to be incorporated by them in their by-laws and approved by the Com-missioner of Banking.

Bonds may be issued by a Land Mortgage Asso-

ciation in an amount equal to the balance due the association on mortgages held by it, but the aggregate amount of bonds outstanding at any one time must not exceed twenty times the combined capital and surplus of the association. The mortgages by which such bonds are secured must be deposited with the Treasurer of the State and may only be removed by the substitution of other mortgages, money, bonds the State of Wisconsin or Certificates of Deposit endorsed in blank in an amount equal to the unpaid

portion of the mortgages so withdrawn.

Bonds may be issued in such form, amount, and for such periods of time as the association may deem advisable, subject to the approval of the Commissioner of Banking. The rates of interest which the bonds shall bear and at which the funds of the associations may be loaned are also optional with the associations, though the rate upon the bonds must be

approved by the Commissioner.

The law provides for the election of an auditing committee at the annual meeting of the association, it being the duty of such committee to inspect all accounts of the association quarterly and make a report of their activities at the next annual meeting of the association, a copy of which report must be forwarded to the Commissioner of Banking. The auditing com-mittee has the power to suspend any officer or trustee whom they shall have found to be delinquent as such.

The net profits of an association must be ascertained annually and an amount thereof equal to 2 per cent. of the outstanding capital stock of the association set aside as a reserve fund against contingent losses until such reserve fund is equal to 20

per cent. of the capital stock.

The bonds of the land mortgage associations should find a ready market in the State. They are exempt from further taxation when the taxes on mortgaged lands are payable by the mortgagee or mortgager. They are made legal investments for Trust Companies and Savings Associations and for trust funds held by executors, administrators, and trustees of public and private funds. Endowed thus liberally the bonds should be capable of being disposed of at interest rates approaching those borne by the best municipal bonds.

the best municipal bonds.

This is the plan as devised in Wisconsin; as yet untried, but built upon a foundation which has proven of inestimable benefit in other countries. When its advantages are fully realized it must surely bear fruit. In the Southern counties of Wisconsin 30 per cent. of the farms are worked by tenants; consider the good which would accrue not only to them but to the State as well were they given an opportunity to become owners of land. It would give them a healthier view of life, make them independent and result in better farmers and betters citizens.

The progress of agriculture in the United States great, but it has not kept pace with com-ife. There must be a natural balance bemercial life. tween the two if we are to attain a stable economic government. The development of agriculture has had and is having the aid of nearly every factor essential to its success except that of easily accessible credit. A beginning has now been made to remedy this defect, a beginning which it is hoped may result in a nation-wide scheme of agricultural credit which will add untold wealth to our land. With an increased add untold wealth to our land. With an increased development of agriculture, all other industries must thrive as well; without it the structure must become top-heavy and disorder exist. The perception of the American people is, however, too keen to allow such a condition to prevail, and when a remedy is offered it will be quickly grasped by them. Such a remedy I believe agricultural credit to be. One need only point to the countries in which it has been most actively employed for confirmation. In France, with her high per capita wealth there are over five milher high per capita wealth, there are over five mil-lion landowners and nine-fifteenths of her popula-tion are employed upon the land; in Germany onetion are employed upon the land; in Germany one-sixth are thus employed, while in England, with a more fertile soil and more equable climate, but with none of the credit facilities of France and Germany extended to her farmers, only one-fifteenth of the population is settled upon the land. When one con-siders the political unrest, the strife and turmoil of England, and compares with it the internal peace and quietude of France and Germany in recent years, it seems proof conclusive that the higher development of agriculture goes hand in hand with a higher grade of citizenship, producing a sturdy class of independent rural dwellers who become the very backbone of the nation.

#### THE BANKS AND THE RAILROADS.

#### By J. M. Fitzgerald, President of the Western Maryland Railroad—Address Before Baltimore Chapter of the American Institute of Banking.

IT would seem at first thought that there is very much similarity between the banking business and the railroad business. The rank and file of the banking force, at desks in beautiful buildings during attractive hours, with ample protection from inclement weather, take in money, pay out money, make entries in big books and add up columns of figures. The greater number of the rank and file of railways are by day and by night amid the rush of road and trains. The officers of banks sit in easy chairs, amid safe and comfortable surroundings, informing their customers whether they will take the securities and let them have the money. The greater part of the time of the greater number of the officers of the railways is spent on the road inspecting and directing the work of transportation.

The most important part of this work of trans-

portation is in the carrying, from where they are produced to where they are needed, of the commodities of general need—the merchandise that enters into the use and consumption of all of the people of this country. The banks, by the discount of notes and the payment of checks, facilitate the transfer of commodities and merchandise from seller to purchaser. That development which has made commerce not only nation-wide, but world-wide, would not be possible without the service of transportation in actual physical distribution. That development which has made commerce not only nation-wide, but world-wide, would have been impossible without the service of the modern banking system.



J. M. FITZGERALD.

Therefore, one analogy between the railroad business and the banking business is that every one of the rank and file in either vocation takes part in performing a service that is not only essential to the prosperity of the nation, but, under the conditions of our present civilization, is vital to the very existence of the nation. Another analogy is that any member of the rank and file in this country who demonstrates the requisite ability may rise, step by step, to positions of greater responsibility and greater usefulness in either service; and the final purpose of either service is that utilization and that development of the resources of this country which will best serve the common need. Officers of railroads, even to the Presidents, to-day are chosen because of the ability developed as they have come up from the ranks and not because of the ability developed as they have come up from the ranks and not because of any proprietary interest in a bank.

There never was material progress in this world until the production of each day outstripped the consumption of each day. If all men had to work all of the day to get enough to eat, there would be no surplus energy for the making of clothes. If all men had to work all of the day to get food to eat and clothes to wear, there would be no surplus energy for the building of houses in which they live, or work, or congregate, or for the fashioning of tools and machin-ery, which enable the making of more things in a shorter time; thus leaving a surplus of energy and of time for the making of still other things and the doing of other things; that is, a surplus necessary to progress in civilization.

Now, as we all know, the difference between that which is produced and that which is immediately consumed, that which is available for the continuing and developing of production, is capital. In the evolution of the processes of exchange, capital has come to be represented by money or the equivalents of

money.

That part of his income which a man saves is capital. His savings when deposited in a bank join with the savings of others. In the aggregates of capital are also those larger sums accumulated with the savings of others. In the aggregates of capital are also those larger sums accumulated through the direction of the efforts of the many by those of managerial ability, to the ends that the needs of great numbers of people are supplied, and a surplus produced available for the continuance and enhancement of this supply. Through the evolution of social organization, the banks and bankers have peculiarly come to be the custodians of or the trustees for the larger portion of this capital, and in great measure have become the responsible agencies of all the people by means of which it is diffused throughout the channels of production.

It is, therefore, peculiarly the function of the banker to see that capital entrusted to his care is not wasted—to see that this surplus of past producnot wasted—to see that this surplus of past production is used not only to further future production but to bring from that future production a surplus for the furtherance of production in the still further future. That is, it is peculiarly the function of the banker not only to see that capital entrusted to his care is not lost, but to see that it is increased.

That he may not lose money, he must have security for the capital which he advances; that he may make money he must feel assured that the may

may make money, he must feel assured that the men to whom he makes advances are men who can so direct their use as to return not only the advances, but a surplus above their amount. Upon the surplus available for future production depends future progress.

There is no service more essential to the furtherance of industry and commerce than that of transportation; there is no instrumentality so important in that service in the United States as the railways. That they may be in readiness to perform this service of transportation, vast amounts of money must be expended in their construction, in the provision of their cars, locomotives, terminals and all other necessary facilities. This means the investment of capital. That they may carry on the service of transportation, vast sums of money must be expended for fuel, for supplies and materials of various kinds, and in the salaries and wages of the thousands of employes. These sums must be obtained as compensation for this service of transportation. This compensation, moreover, must be sufficient to allow them to pay taxes and other expenses and to make return upon the capital invested in the railroads. That is, the surplus of past production which entered into the construction of railways must not only be preserved, but through their operation be enhanced. Otherwise, fur-ther capital needed in the development of transporta-tion which is essential to the furtherance of industry

As the larger banks are the custodians of or trustees for the greatest amount of capital, and as the railways require capital in vast amounts, it has come about that railways, when they need capital, must, in the main, look to the great bankers for its

Therefore, these great bankers have a great re sponsibility in connection with the administration of railways. They need to know that the men charged

with the administration be capable men. They need to know that the processes of the administration are efficient. On the other hand, railways, in the conduct of their business, receive and disburse large sums of money and in the proper handling of this money railway managers constantly seek the advice and counsel of bankers, so that it has come about that representatives of the great banks and great banking firms are in the directorate of many of the great railways. The evolution in the banking business and the evolution in the railroad business are not without

analogy.

Production was once scattered and disconnected. Communities, for the most part, were self-sufficing; their subsistence came from sources near at hand, local artisans made the things of need. wagon and the wagoner were adequate for transportation by land, except that the stage coach served such need as there was for greater despatch over longer distances. Similarly, the banks were local af-fairs. They received money and paid out money and gradually came to conserve the use of coin by circulating their notes.

The first railways were short lines, few of them as much as a hundred miles in length, but they served to bring the products of farms and forests of the interior to the towns, and to take the wares of the towns to the interior. This extension of commerce lessened the self-sufficiency of the family and of the It was a step forward in the inter pendence between the town and the country, the farm and the factory. It increased the need for a currency would circulate beyond the confines of the community.

When the success of steam and rail transportawhich the success of steam and ran transporta-tion had been demonstrated, railways were wanted more than anything else and the people resorted to any means to get them. Debt was incurred for rail-ways that were built and debt was incurred for railways that were not built. There was an era of wild speculation and in this the banks were involved. The first United States Bank during its brief existence, which terminated in 1811, and the second United States Bank, during a brief existence that terminated in 1836, exerted a certain restraint upon abuses which had crept into the issue of bank notes. Speaking broadly and generally, however, the period from the outbreak of the war of 1812, and especially the period from about 1825 until the Civil War was marked by a wild scramble for the exploitation of the resources the country.

There was comparatively little accumulation of specie, and what was accumulated was constantly being drained abroad to settle the so-called balance of trade against the United States. There was everywhere a dire need of currency to carry on business. The profits that could be obtained from issuing notes and lending them at interest, especially in the absence of any annoying regulations as to any reserve for the support of the notes, to say nothing of the profits that might be made by speculative operations with funds so easily provided offered great incentive to go into the banking business. Another powerful stimu-lus to the early multiplication of banks was the lack of capital to finance the numerous enterprises that were started to develop the country's resources. How could this need be more easily met than by starting a bank and issuing notes to be loaned to such enterprises? Indeed, it was quite common for manufacturing and transportation corporations to have banking powers included in their charters, in order that they might the more easily finance their operations. The Morris Canal and Banking Company of New Jersey and the Georgia Railroad and Banking Company Georgia are conspicuous examples of the combination of banking with other lines of business.

Notwithstanding the paucity of checks upon banking procedure, it is not to be inferred that it was invariably characterized by recklessness. There were numerous banks, especially in the older sections of the country, that were safe as to procedure and sound as to assets. Taking the country as a whole the the country, that were sale as to proceed as a whole, the banking function as then administered was not unsuited to the conditions of the times. Without a very considerable elasticity in the issue and use of instruments of credit the development of the country would

have been at a much slower pace.

There were, however, many banks that flouted their responsibilities. In the first place, there was the their responsibilities. In the list place, their was and depreciation and instability of bank note currency. The notes of a bank had no greater value than the credit of that bank could give. That credit was not credit of that bank could give. That credit was not always adequate in the town in which the bank was situated and it usually decreased in inverse propor-tion to the square of the distance in which the notes Because of its speculative activity circulated. margin of solvency of many a bank was usually so narrow that the value of its notes were affected by every change in business that might seem to react upon the bank. Naturally, therefore, the notes of diferent banks even of the same denomination were of different values. The simultaneous circulation of such notes of varying and fluctuating value issued by of scattered banks of uncertain responsibility gave such confusion to the currency that business was sorely impeded and credit of railroads seriously restricted. It was difficult to adjust the terms of contracts that covered transactions in different sections of the country. The "Bank-Note Reporter" had to be on the had to be on the desk of every merchant and in the pocket of every traveler who wanted to know the latest rating of any bank note that might be tendered to him. Then, again, there were the "wild cat" banks, those established at settlements in the wilderness among the wild cats whence they put notes in circulation that they were very sure would not and certainly intended should not come back to their remote headquarters for redemption. There were banks that speculated not only in transportation projects, but in manufac-turing projects and in real estate operations. Then, again, in some of the States, the political party in power regarded the opportunities offered by banking as an especial privilege to be conserved for political advantage; therefore, only its important adherents could secure charters, and only business men of the same political faith could count upon the facilities of a bank so chartered.

While all this sort of thing was going on in the banking world, railways were undergoing their early vicissitudes; their projectors, investors and builders vicissitudes; their projectors, investors and builders were being tossed in a whirlpool. It was not only bankers and railway projectors who were wrecked by the waves of speculation, but the representatives of the people elected by the people to serve the people completely lost their heads. For example, this was the situation in Illinois as depicted in a chronicle of the period. "An internal improvement bill was passed which appropriated \$10,600,000 for the building of seven State-wide railroads, to be financed, built, owned and operated by the State, the theory upon which they were to be built being that these great highways of commerce could be legislated into existence, with the credit of the State as their only capital. Money was borrowed at ruinous rates, and the survey of routes for the various railroads was begun. An un-precedented year of speculation followed which developed into a mania. Reason was dethroned and the veloped into a mania. Reason was dethroned and the folly of inflation held high carnival. Towns sprung up in a night and cities in a day—on paper, each of which was destined to become the metropolis of a dense population. When the people awoke from their dream of fancied prosperity to find themselves staggering under the burdens of a colossal public debt, when they saw their hopes shattered and financial ruin staring them in the face they looked upon their former infatuation with incredulous amazement. A colored both the legislature and the people. The panic seized both the legislature and the people. Governor called a special session of the legislature and laws were passed which practically abrogated the entire system of public improvement. The precipientire system of public improvement. The precipitate rashness with which the stupendous work originated was only equalled by the undue haste and anxiety in disposing of the property, both real and personal, which was left from the general ruin." Such excesses, numerous and serious as they were, did not prevent the extraordinary progress of the country. There was so much of wealth in the soll the mines the forests and in the waters and so

were, did not here was so much of wealth in the soil, the mines, the forests, and in the waters, and so much of native energy in the people that these prodigalities were only as the follies of exuberant youth. Yet if there is to be substantial and lasting achieve-

ment the follies of youth must come to an end, and so also the profligacy that the nation displayed in its business affairs had to be curbed. In some parts of the country banks adopted measures for self-protec-But such measures were not adopted universally

nor were they always strictly upheld.

From time immemorial the regulation of the currency has been a function of the Government. In the rency has been a function of the Government. In the early bank charters of this country there were restrictive provisions and the general banking laws enacted later contained prohibitions of objectionable banking practices. These, however, were readily evaded by devices of one kind and another. Distrust of concentrated power led to the abolition of both the first and the second United States Bank. It was in connection with State banks that the grosser abuses developed and it was State legislation that was indeveloped and it was State legislation that was in-voked to prevent their continuance. One and then another State instituted the Safety Fund system, which required each bank to contribute to a fund to be used to pay the debts of failed banks. Free Banking Laws, designed to prevent favoritism in the granting of charters and discrimination in the according of banking facilities, and usually requiring the de-posit of bonds as security for note issues, were en-acted by various States. It proved, however, that control exercised by the several States, while it brought about a great improvement, was not ade-quate to prevent loose banking practices. With the Civil War came the National Banking Act which effected drastic reforms.

Now, gentlemen, the history of the railways in many respects followed the course of the history of the banks which I have outlined very briefly and in a very general way. But the corresponding develop-ments in railway history came several years later than these developments in banking history. It was not until after the Civil War that the worst of the abuses in railway practice became the subject of general complaint. It was then that the building of railways in excess of need led to that bitter competition productive of rebates, cut rates and discriminations of one kind and another. As the banks in many parts of the country had tried to work out their own salvation with varying degrees of success, so also did the railways try to work out their own salvation through traffic agreements and pools and similar measures that likewise met with varying degrees of

success.

As early banking charters contained restrictive provisions, so also did early railway charters; but when these charters were granted no one foresaw the railway development would be or the extent to which such development would be influenced by the wonderful growth of the country. As it was, the separate States that first resorted to specific measures to control evils that infested banking practice, so also was it the States that first resorted to specific measures to control evils that had grown up in railway practice. As the people did not think State laws sufficient for the regulation of the banks and enacted National Banking Law, so also did the people think State laws insufficient for the regulation of railways and resorted to Federal enactment—the Interstate Interstate Commerce Law.

Now, when we speak of the evils in banking practice and of the evils in railway practice, the reflection is not alone upon certain incidental banking methods and certain adventitious railroad methods, but the standards of business morality of the times. reflection is not alone upon the standards of business morality but upon the standards of political morality. Politicians holding high office benefited by collusion with bankers; politicians holding high office benefited by collusion with railways. It was a period of unrestrained competition; unrestrained competition means

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warfare, and all is fair in war.

It must also be remembered that, notwithstanding the worst than can be said, honesty in business has been predominant throughout our national history.
There cannot be essential progress without essential There has been essential progress in every nt of business in this country. The standhonesty. department of business in this country. The standards of honesty have become so high and the practice of honesty has so extended that nowadays when there is a delinquency on the part of an officer of a bank it is a national scandal; when there is dereliction on the part of an administrative officer of a railway it is national scandal, and it must be added that when there is gross turpitude on the part of a man holding

high office it is a national scandal.

Through the initiative of their leaders and in response to developing needs of industry and com-merce, the service of the banks has developed and the service of the railways has developed. The banks have evolved a system of deposit currency, the utilihave evolved a system of deposit currency, the utilization of checks, drafts and similar documents that, while indirectly based on the substantial value of real wealth, are directly based upon and directly influenced by the credit of the banks. This system of deposit currency serves the needs of the whole people with an adaptability not possessed by any other monetary system in the history of the world.

The railways have evolved methods of handling traffic that make the railways of the United States

virtually one transportation system rendering a service to the people, the efficiency of which is not equalled by any transportation system of the world. While compensation allowed for this service of transportation is no longer adequate to carry the high cost of operation due to constantly increasing rates of wages and taxes, full crew bills, safety regulation appliances and other expenditures imposed by State and Federal legislation, and still leave a surplus from operations sufficient to attract the investor to railway securities, railway managers are nevertheless continuing their unceasing effort to improve plant, equipment, terminal and other facilities, in order to continue the discharge of their duty to the public in providing an efficient and adequate transportation

service. Yet of late it has come to be believed by many that the Federal laws controlling the operation of banks and the Federal laws controlling the administration of railways have not accomplished all that ought to be accomplished. Heretofore governmental regulation of the banks has been mainly for the protection of the bank depositors and holders of bank notes. Of late there has been much adverse criticism of the association between banking houses large industrial and transportation enterprises. There is a feeling that banking facilities are not as widely diffused throughout the country as they ought and that they are not accorded with entire impartiality to every applicant whose credit and resources entitle him to consideration. There has also grown throughout recent years a belief in the minds of many that because of the public service character of the rallways, the rights of property guaranteed by the law to those who hold their stocks and securities ought to be subordinated to a new conception of their obligations to the public. For example, the real question at issue in the valuation of railways is not what their value may be, but whether their profits shall be limited to some specific rate of return upon the capital, even though their rates be reasonable for the service to which they apply. Aside from certain other classes of public utilities, this is a question that has not yet arisen in connection with any other field of business in which capital is supplied by private investment as it is in the railways. This is a different issue from that which im-

rnis is a different issue from that which immediately affects the banks, but both issues arise from a widespread popular belief that services of such essential importance and vital necessity as those rendered by the banks and by the railroads should be so rendered as to conduce in the greatest degree to the benefit of the whole results. to the benefit of the whole people. Now, gentlemen, that belief is well founded. The proposition that the services of the banks and the services of the railroads ought to be so rendered as to conduce in the greatest degree to the benefit of the whole people cannot suc-

cessfully be contradicted.

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question remains as to the fundamental status of the banks and of the railways and as to the manner in which their services shall be so rendered as to conduce to that end. As to this there is much disagreement. There are many who can see only the evil without perceiving the good, who win the effort to remove the tumor would enfeeble the action of the

The officers of railways at the beginning of governmental regulation, and for many years as that

regulation advanced, struggled against it. They have nearly all come to think that they made a mis ike. But when a man believes that he is being deprived of rights guaranteed to him by the law of the land, he is naturally prone to resist every encroachment upon those rights. It seemed to the railways that they were being deprived of their legal rights and they fought the fight that they believed to be just.

There is a higher authority than the law, and that is the people who make the law and at whose be-hest the law can be changed. If the people of this country do not believe that our institutions, as they exist and as they are administered, are most conducive to the social welfare, it is the duty of those familiar with those institutions and concerned in their administration to point out to the people where they think they are in error, to discuss the questions with fairness; and if it be found necessary to modify those institutions, to be ready to aid in that adaptation through which whatever is essentially good may be retained, while that which is outworn or undesirable be abandoned.

For myself, I believe that the structure of the banking business in this country and the structure of the railroad business in this country in all essential respects are entirely sound, that their administration in all essential respects is conducted in the main as, in any event, it must be conducted best to serve the social welfare. I believe that this should be pointed out in frank discussion. If it cannot be so pointed out it is not true.

I do not believe that more than a comparatively small fraction of the people of this country understand what business really is, what are its underlying principles, what is the mechanism based upon them, and what is the business procedure best adapted to serve the greatest good of the greatest number. There never was a time when it was so essential for business men themselves to arrive at an accurate and comprehensive understanding of these principles and this mechanism, and for them to be able to expound their nature in frank discussion with their fellowmen.

Gentlemen, I believe that this is a duty which rests upon me as a railroad man. I believe that this is a duty which rests upon every one of you as a banker, and that, as through the coming years you attain to positions of greater responsibility, your duty in this direction will become the greater. Therefore, the preparation for the fulfilment of this duty is one of the greatest responsibilities that rests upon you now.

#### MEMORABLE WORDS.

HE following letter written to the President of the Institute by the late Charles H. Huttig. when President of the American Bankers Assoclation, is self-explanatory: "I am pleased to see that the Institute Section through its\_Correspondence Chapter is extending its educational work outside of city chapter classes. Young bankers in the country are as ambitious as anybody else to improve their professional knowledge and efficiency, and since the utility of correspondence instruction has been demonstrated by leading universities, I see no reason why the Correspondence Chapter, furnishing as it does the same facilities as are furnished to study classes in cities, should not have a membership of thousands instead of hundreds. Possibly the low price of \$10 at which each of the two parts of the study course is supplied to members of the American Bankers Association may in the minds of some persons reflect upon the character of the work. might therefore explain that such nominal tuition fees are made possible only by the fact that the Association has deemed it wise to assist the Institute financially. I trust that you will obtain at least one student in every institution."



Chaptergrams must be received by the Educational Director of the Institute not later than the 28th of the month preceding publication.

#### PROBLEMS OF ADMINISTRATION

By H. J. Dreher, President of the American Institute of Banking.

Former Controversies Settled by the Acceptance of Orthodox Education—Necessity for Progression—Dangers Incident to Success—Country Bankers and the Correspondence Chapter—Post-Graduate Work-Committee Appointments.

WO months have elapsed since the members of the Institute placed a trust in my keeping. It has been my constant endeavor since to dis-charge, conscientiously and intelligently, the charge, conscientiously and intelligently, the obligations of that trust. Responsibility crystallizes conservative instincts and exacts careful consideration of every step taken. Face to face with the problems of Institute administration, I have realized, as never before, the magnitude of the Institute, its tremendous inherent capacity for future good.

The office which I hold came to me directly from the members of the Institute free from any secret

the members of the Institute, free from any secret agreements capable of restricting my freedom of action. My sole desire is to lay it down, when the time shall come, conscious that every act performed has been supported by reason, and impelled by the single motive of Institute advancement.

The formative period of the Institute has passed. Education, that potent word which has in the past been invested with such varied degrees of meaning, has finally been accepted in orthodox sense. At Rich-mond a national consciousness was formed capable of large good-or great harm.

Progression is the fixed law impelling all life. When progress ceases, decay ensues. Vision quickens progress. The dreams of to-day are the realities ens progress. of to-morrow.

Institutions are but the reflection of their mem-s. The Institute, of itself, can accomplish nothing, for it is but an impersonal aggregation of men. But the Institute, the entity reflecting its members, interpreting and combining their thoughts and aspira-

the Institute, the entity fenecting its members, interpreting and combining their thoughts and aspirations, concentrating in itself their loyalty, and representing their collective strength in the fields of service in which men engage, may become one of the mightiest factors for individual efficiency and public service existent in our world of to-day.

At no time, other than now, has the Institute been as strong in the estimation of its members or of the bankers of the nation. Each day brings evidences of increasing loyalty and enthusiasm. Membership in educational classes is increasing. Chapters are continually growing. The desire to acquire the Institute Certificate is the all-compelling one.

It was my privilege to attend the Boston Convention of the American Bankers Association. For the Institute there was nothing but praise. Practical manifestation of the good will of the bankers of America and of their belief in the purposes of the Institute was set forth in the provision of the new constitution of the Association, which makes each constitute was set forth in the provision of the new constitution of the Association, which makes each chapter of the Institute a member of the American Bankers Association with right of delegate and vote. So magnanimous was this action, and so significant, that a letter was written to each chapter president urging an immediate response to the privilege accorded.

In the degree of success which the Institute has thus far attained lurk latent elements which may

Increasing powers correspond-onsibilities. The danger of sucbecome dangerous. necome dangerous. Increasing powers correspondingly increase responsibilities. The danger of success lies in its capacity for retarding progress or deadening ambition. A failure to realize fully the ideals emphasized in the birth of a national consciousness may result in a period of retrogression. A cessation of effort in maintaining the standard of education now prevailing, or a failure to enlarge the scope of our educational work so that it may be suf-ficiently comprehensive to meet every legitimate demand which the varying abilities of the membership may make, is the surest way of losing the support not only of our members, but of that increasing number of men—bankers, business men and educators—who see in the Institute a great potential agency for good in the field of education for efficiency in national life. The present period of Institute existence, greater though the Institute is than at any time in its history, may be termed critical, for a point has been reached where two great problems press upon us for solution—(a) how to continue to worthily deserve that recognition which we have attained, and (b) the wise enlargement and extension of our field of

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The Institute is now the Educational Section of The Institute is now the Educational Section of the American Bankers Association. This means that its mission is to all bankers and bank men. The work in cities, as is but natural, has been unqualifiedly successful, so successful in fact that an impression is prevalent among country bankers that the Institute is an organization peculiarly adapted to the needs of city men and not in harmony with the aims and aspirations of those in the country.

The majority of bankers and bank men of this country are in banks termed country banks. For the increased efficiency of the banking profession, for the

increased efficiency of the banking profession, for the larger influence which we hope some day to exercise for the public good, it is highly essential that methods

for the public good, it is highly essential that methods be devised for compelling a realization by these men of what the Institute is and what it has to offer. It is conceded, and rightly, that the country banker copes with different problems than the banker of the city. It follows, therefore, that country bankers are the table to determine that which shell and of the city. It follows, therefore, that country bankers are best able to determine that which shall most successfully meet their needs. The principles of banking, however, are the same in both city and country, varying only in their degree of application. The principles of banking and law which the Institute teaches are universal. The pressing need lies in determining how to most efficiently reach those who need to know of them. A degree of success has thus far been obtained in our correspondence work. The greatest problem before the Institute to-day is its wider extension. its wider extension.

After due consideration, and consultation with

both Educational Director and Executive Council, I have determined that a Correspondence Chapter, inhave determined that a Correspondence Chapter, in-corporated with powers similar to other chapters and directed by country bankers, is the most practical solution of the problem. This will place country bankers in control of the chapter in which they are most interested and should result in increased Insti-tute loyalty on their part and a marked extension of correspondence work. This work has been entrusted to a committee empowered to prepare all necessary papers and by-laws for submission to the Executive Council for approval and consists of William M papers and by-laws for submission to the Executive Council for approval, and consists of William M. Rosendale, J. A. Broderick, and George E. Allen, all of New York. Thus do I believe that the first great step has been taken in demonstrating to the bankers of America that we of the Institute hope to continue to decrease the recognition by them accorded by the continue of the cont to deserve the recognition by them accorded, by extending in a practical way, to an ever-increasing

number, the means of becoming efficient in banking.

There is, and can be, no substitute for the study courses of the Institute. Time has proved them; the There is, and can be, no substitute for the study courses of the Institute. Time has proved them; the results obtained are their justification. Building upon the experience of the past, we must, however, enlarge the field of Institute education. An insistent general demand will soon be made for advanced work. Already it is beginning to be heard. A start has been made in Post-Graduate work. Results have been obtained. Before the demand becomes general, and leat we be found unprepared, the matter of a reand lest we be found unprepared, the matter of a reand lest we be found unprepared, the matter of a revision of the syllabus used last year must be undertaken. With this in view, and in order to obtain the best suggestions which educators can offer, the present syllabus of Post-Graduate work has been submitted to the following qualified educators for their suggestions:

David Kinley, University of Illinois. Irving Fisher, Yale University. E. R. A. Seligman, Columbia University. H. S. Person, Dartmouth College. O. M. W. Sprague, Harvard University. A. S. Bolles, Haverford College. W. A. Scott, University of Wisconsin.

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In due course of time, but not until near the end of the Institute year, a report will be made by the Committee on Post-Graduate work, setting forth its recommendations formulated with the aid of the suggestions made. Much must be made of this advanced work. It is my great hope, many times expressed, that some day the members who have completed this course will be organized into a permanent body, meeting annually for discussion, and forming of the most

annually for discussion, and forming of the most influential bodies for forming and guiding along right lines the opinions which men hold on finance.

During the formative period of the Institute, many hope for the time when, policies firmly established, a larger part might be taken in matters of public concern. No field of endeavor offers such possibilities as does benking. Event activity at come public concern. No field of endeavor offers such possibilities as does banking. Every activity, at some time, comes in contact with banking power. Each day decisions are made by bankers which vitally concern entire communities. We are on the threshold of an intensive period of American life. Cooperation is its keynote.

The Institute designates itself educational. Edurne institute designates itself educational. Education connotes development. Development is quick-ened by contact in enlarged fields of service. For our own good and for the good we may do others, we should engage, wisely and with care, in those fields of public service in which we are most fitted

to serve.

Such work is constructive. It is extremely important that proper foundations be laid. That a start may be made, I have created a Committee on Public Affairs to blaze the trail in this new field. I look for large results. I believe they will be obtained in increasing degree as years pass, and bring to the Institute a larger measure of success.

Careful consideration and much time has been spent in the choosing of committees. Fitness for position has been the only qualification. The response to a call to service has been splendid. In deepest sincerity, after the short experience which I have had in planning the work for the year, I ask that you believe in the true mission Institute, one of the greatest agencies for good conceived by men for their development.

The following are the committees for the year.

The following are the committees for the year. To the committee appointed under the Barrett resolution have been added the names of the last four

members:

Program Committee.—R. S. Hecht, Chairman,
New Orleans, La.; H. P. May, Dallas, Tex.; T. R.
Durham, Chattanooga, Tenn.

Committee on Post-Graduate Work.—James D.
Garrett, Chairman, Baltimore, Md.; J. E. Rovensky,
Pittsburgh, Pa.; F. B. Snyder, Philadelphia, Pa.;
Leigh Sargent, Chicago, Ill.; H. J. Mergler, Cincinnati, Ohio; R. H. Bean, Boston, Mass.; R. B. Cox,
New York, N. Y.; J. A. Broderick, New York, N. Y.

Committee on Public Affairs.—E. G. McWilliam,
Chairman, New York, N. Y.; R. H. MacMichael, Seattle, Wash.; P. J. Slach, Cleveland, Ohio; Joshua

Evans, Jr., Washington, D. C.; William A. Day, San Francisco, Cal.; C. W. Allendoerfer, Kansas City, Mo. Committee on Conference of Chapter Presidents.

-W. A. Nickert, Chairman, Philadelphia, Pa.; George C. Gage, Spokane, Wash.; J. C. Conway, Little Rock, Ark.; J. A. Graham, Baltimore, Md.; C. L. Corcoran, Cleveland, Ohio; G. E. Allen, ex-officio, New York,

Cleveland, Ohio; G. E. Allen, ex-officio, New York, N. Y.

Publicity Committee.—H. E. Hebrank, Chairman, Pittsburgh, Pa.; W. A. Marcus, San Francisco, Cal.; T. H. West, Portland, Ore; J. W. Yopp, New Orleans, La.; M. B. Keith, Dallas, Tex.; L. T. Banks, Minneapolis, Minn.; B. W. Moser, St. Louis, Mo.; F. B. Devereux, Washington, D. C.; J. H. P. Brewster, Cincinnati, Ohio; F. W. Ellsworth, New York, N. Y.; G. W. Cooke, Chicago, Ill.; H. S. Ford, Boston, Mass.; R. M. Crane, Denver, Colo.; F. C. Eves, Philadelphia, Pa.; Stewart McGinty, Atlanta, Ga.

Committee on Transportation.—W. W. Spaid, Chairman, Washington, D. C.; J. B. Birmingham, New York, N. Y.; I. L. Bourgeois, New Orleans, La.; Joseph J. Schroeder, Chicago, Ill.; F. C. Ball, St. Louis, Mo.; R. P. Callahan, Seattle, Wash.; R. A. Newell, San Francisco, Cal.

Committee Appointed under the Barrett Resolution.—A. M. Barrett, Chairman, New York, N. Y.; F. A. Crandall, Chicago, Ill.; F. L. Johnson, St. Louis, Mo.; F. C. Mortimer, Berkeley, Cal.; John C. Knox, Philadelphia, Pa.; D. C. Wills, Pittsburgh, Pa.; J. H. Puelicher, Milwaukee, Wis.; E. D. Hulbert, Chicago, Ill.; G. E. Allen, New York, N. Y.

# ALBANY.

By H. J. Hotaling.

T our regular meeting, held at the National Com-mercial Bank, October 16th, a special election was held to fill vacancies caused by the resig-

mercial Bank, October 20th, was the best and largest attended this year. George Lawyer, a prominent attended the National Bank, was elected President, and Frank E. Sherry, of the Manufacturers National Bank of Troy, Vice-President. They are both capable men and are always working for the best interests of the chapter.

Our regular open meeting, held at the National Commercial Bank, October 20th, was the best and largest attended this year. George Lawyer, a prominent attorney of this city and member of the Faculty of the Albany Law School, was the first speaker of the evening; subject, "Contracts," As this is right in line with our course of study, it was greatly appreciated and doubly interesting to all the class members present. bers present.

bers present.

Hoyt Austin, of the local internal revenue office, gave a brief but very interesting talk on "The Federal Income Tax." As this is a very complex subject, many questions were asked and answered, and much light was thrown on many points of the law which seemed very much in the dark before.

# BALTIMORE.

# By H. Clarke Jones.

By H. Clarke Jones.

ALTIMORE has broken all previous records of enrollment since its organization. Within the last two months, since we have opened for the winter, we have acted on the names of about eighty new members. This is our first year for active work in public speaking of any kind, and it is surprising the amount of interest being taken in this class. It is bringing out a great many of our older members who, through personal experience, realize the benefits to be derived therefrom.

At our last open meeting we were fortunate enough to have as our principal speaker J. M. Fitzgerald, the youngest railroad president in the United States. I might suggest right here that I think it

gerald, the youngest railroad president in the United States. I might suggest right here that I think it would do everyone good to read his entire speech, found on another page in this monthly.

We also had Edward Ingle of the "Manufacturers Record," who talked to us about some of the difficulties of the income tax law. I think the majority of us employed, as we are, in banks realize that there are some difficulties connected with this law. Mr. Ingle

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enumerated several phases of the situation with which we have not as yet come in contact. He showed that he had studied his question very thoroughly, and it

proved very interesting. Our last speaker was George E. Allen, Educa tional Director of the Institute, who certainly showed the men that there were great advantages to be

derived from the educational work of the Institute. Though Mr. Allen was the last speaker on our program he had a most interested group of listeners, who felt very sorry when he had finished his discourse. This is the first time in two years that we have had Mr. Allen talk to us, and we all hope he will visit us soon again.

It is with regret that we announce the resignation from our Board of Governors of Louis W. Jenkins, our former president. Mr. Jenkins has accepted a

position in the West.

If anyone who is at all interested in banking would look up the record of men who are going ahead in the banking world to-day they will find that it is those who are closely allied with the Institute that are making the most progress. This is peculiarly so in Baltimore. It is, therefore, with great pleasure that we announce the advancement of one of our most active members. Harbart H. Owens formerly Assistwe announce the advancement of one of our most active members. Herbert H. Owens, formerly Assist-ant Cashier of the Farmers & Merchants National Bank, has resigned that position to become affiliated with the Drovers & Mechanics National Bank in the capacity of Assistant to the President. He has the capacity of Assistant to the Fresident. He has the very best wishes of our entire chapter, and I am sure everyone outside of Baltimore who has had the pleasure of his acquaintance, heartily congratulates not only him, but the Drovers & Mechanics in securing the services of so popular a man, and one who has made as many valuable friends throughout the entire country as he has.

# BIRMINGHAM. By John F. Dwyer.

T the regular general meeting of the Birming-A the regular general meeting of the Birming-ham Chapter we had the pleasure and honor of having with us one of the ablest bankers in the South, W. P. G. Harding, President First National Bank, Birmingham, Ala. His address, which was on the proposed Banking and Currency Bill, gave to those present a more thorough understanding of this bill, a bill that is of the utmost importance to every citizen of the United States, than would have been obtained by several readings, without assistance. Mr. Harding explained in detail just where this bill was at fault, in his opinion, together with explaining the desirable features, of which he says there are many.

F. H. Smith, Manager Suffern & Son, Public Accountants, gave a very instructive talk on bank and commercial accounting. His talk was much enjoyed and proved beneficial to the members.

C. E. Holcombe, Manager Collection Department, First National Bank, Birmingham, Ala., explained the workings of this department of a bank.

Our chapter has decided to inaugurate a debating class. The members are heartly in favor of this

class. The members are heartily in favor of this. The educational feature alone is sufficient to inspire enthusiasm.

# BOSTON.

### By Perceval Sayward.

T the present moment Boston Chapter feels that it is in the most flourishing condition of its history, without any uncomfortable suspicion lurking underneath that a reaction is bound to occur. The feeling is rather that the chapter's prosperity will increase. The reason is that the work of President Bean and all those who have co-operated has been based on sound principles, ani-

with him has been based on sound principles, mated with a spirit of enthusiasm and faith.

Professor Sprague's course, already mentioned in some detail in these columns, is meeting with the resulting the substitution of the second state of the se markable success its splendid quality deserves. The average attendance has been 205 with a registration of 285. One of the reasons this large class

possible is on account of the enthusiastic hard work of the membership committee. Since October 1st, 301 new members have been added to the chapter.

BANKERS

new members nave been.

The Practical Banking Course has nau problem of the property of the pr average attendance is 125.

Boston chapter in its post-graduate course had to undertake a new proposition this season. Last year the small number of graduates did not justify a start. It is important for the whole chapter that the graduate work should be successful, not only for purpose of maintaining the interest of the graduates in the chapter, but as a stimulus to others to obtain the certificate necessary to qualify them for the opportunities offered.

The committee in charge felt that a well qualified leader of forum work would be the greatest single factor in any success that might be achieved. It also felt that talent outside of the chapter must be

also felt that talent outside of the chapter must be sought to obtain a man with the necessary practical experience in such matters. The committee was fortunate in securing in Charles C. Batchelder a rare combination of qualities suited to the purpose.

Mr. Batchelder is a college man who for many years has taken an active, studious interest in business and financial problems. While engaged in various lines of business since graduation, but more especially in the wholesale lumber trade, he has not been too busy to do much teaching in various fields of research. For the past six years he has been a lecturer at Brown University.

been too busy to do much teaching in various fields of research. For the past six years he has been a lecturer at Brown University.

As leader of our forums on "The Present Currency Legislation in the Light of the Past," Mr. Batchelder has prepared notes on the particular portion of the subject to be discussed during a given evening. With these before him he makes a start, but to judge from the two meetings already held, his progress will not be great before he is interrupted by a question. His subject matter is of extreme interest, his answers to questions likely to be equality. terest, his answers to questions likely to be equally so and by his experienced, skillful handling a single question is frequently the forerunner of a series from

question is frequently the forerunner of a series from first one member, then another, with possibly one or two propounded to the men by our leader.

Thus an intelligent, illuminating discussion results that everyone takes a genuine, lively interest in. The debate subsides, the notes go on, the various points illustrated by examples from one experience that comes only to one engaged in trade beyond the semewhet recognition. the somewhat narrowing lines of our own profession, combined with a knowledge that is the result of studious research and reflection. Again comes a question and the process is repeated as before. Needless to say, the learning is a pleasure by this method and two hours or thereabouts pass very quickly. Everyone goes home pleased, with the determination to attend the next forum.

The boot and shoe trade is one of the most important lines of Boston's business activity, as nearly every one knows. It is not such common knowledge that Boston is also a great centre for the confectionery trade that has become a tremendous industry in this country. Two meetings have been held al-ready by the graduates in the offices of leaders in these two industries. This is not the usual atmosphere in which the business man addresses an audience. He feels at home. The result has been that these two meetings, which discussed most informally the financing and credits of the business, have been of great value and interest. Similar conferences will be held in the future. We do not recall ever having heard of meetings of just this kind and as a means of getting first-hand knowledge from those who know

we commend it to other chapters. Herbert E. Stone, of Boston Chapter, is responsible for the idea.

"Latin American" night at the City Club found three hundred men at dinner. The speaking afterwards was most enjoyable. It was the proverbial success of these occasions.

The time seemed ripe for the incorporation of chapter. This has accordingly been done. Also the chapter. the chapter has been made a member of the American Bankers Association.

The above detail concerning the post-graduate

work has been given in the hope that it may be of use to other chapters. To the experience of other chapters Boston owes much, and if Boston can further by its experience the welfare of fraternally related bodies its present state of a highly organized, useful educational institution will have reached a still further stage toward the ever advancing ideal of "The Perfect Chapter."

#### BUFFALO.

#### By Harry G. Hoffmann.

WING to an increased membership, Buffalo Chapter was recently confronted with the problem of securing more suitable accommodations for its weekly meetings. Fred. W. Deming, mana-f the Marine National Bank building, upon of the learning of the circumstances, considerately gave us the gratuitous use of room 1120 in that building. We are now enjoying our weekly meetings in our new

We are now enjoying our weekly meetings in our new quarters, which are excellently suited to our needs.

Things have continued with a rush ever since we held our first regular meeting of the season. Our average attendance in the law class is now 35 with more coming every Thursday evening.

On the evening of Nov. 20 we held a mock trial.

On the evening of Nov. 20 we held a mock trial. The attorneys for the plaintiff, defendant and members of the "Institute Court of Appeals" were made up of students enrolled in the law class. Mr. Baker, our instructor, directed the members of the court. The case was based on the law of contracts and work covered during the past six weeks. A verdict of \$122,500 was rendered in favor of the Cortland Steel Company, (plaintiff) against the American Furnace Company (plaintiff) against the American Furnace Company (defendant).

Our class in Business English, which proceeds the Law Class each Thursday evening, is going along nicely. Mr. Rattray, our President, has taken charge of this branch of the work. Mr. Rattray is a thoroughly capable teacher, and the lively participation by every member of the class makes the work very

interesting.

At the monthly business of Buffalo Chapter held in the Marine National Bank building on October 30, 1913, George B. McPhail, of the Fidelity Trust Company, and M. J. Kinney, Marine National Bank, were nominated as candidates for the Fellowship class of the American Institute of Banking. Mr. McPhail was President of Buffalo Chapter during the season of 1910-11 and 1911-12. He is an Institute Graduate, and is still an active member of the chapter. Mr. Kinney was President of Buffalo Chapter during the season of 1912–13. He is also an Institute Graduate and a member of our Executive Committee.

Buffalo Chapter has been established on a firm basis, and as that is directly attributable to the thoughtful, thorough and progressive work of those whom we have nominated as candidates, we feel that their admission will be not only a well merited reward for faithful service but a distinct gain to the

ward for faithful service but a distinct gain to the Fellowship Class.

At the same meeting Mr. Kinney read a paper on "Analysis of Accounts and Bank Auditing," after which a general discussion was held.

The Chapter Forum has been established and met for the first time in the Buffalo Clearing House, Tuesday evening, November 11th. This course will be followed along the lines pursued by chapters in other cities, viz.—a study of the financial history of this country. In addition we hope to keep in touch with the live questions of the day, and at our next meeting we will discuss the new Income Tax.

### CINCINNATI.

#### By A. DeWitt Shockley.

INCINNATI CHAPTER held its regular monthly meeting on Friday night, November 21, 1913, in its class rooms in the First National Bank Building, with Judge D. D. Woodmansee as the er of the evening. Vice-President Shockley prespeaker of the evening. Vice-President Shockley presented the Judge to a large and representative audience of chapter members and friends. The subject, "Federal Income Tax," has been given special study

by Judge Woodmansee and his entire address was interesting as well as instructive. The Judge said, in part: "It is certainly a fact that our new Federal Income Tax Law is a complicated document. Igno-rance of the law or a wrongful interpretation of it, however, is inexcusable and may lead the one in error to direful punishment. It seems a shame to make us pay tax under such a law and at the same time cause us also to pay an attorney to tell us what the law means, what tax we are to pay and how we are to pay it. Accordingly, I have made a study of the law and am only too glad to address your organ-ization to-night, explaining it as best I can. I have made no suggestion as to how the tax might be avoided—my advice is to pay it—for I have spent all of my efforts trying to show the people in general and my friends in particular how to keep out of jail. I my friends in particular how to keep out of jail. I am looking ahead, and I see our divorce court busier than ever. While the law provides that only those persons with an income in excess of \$3,000—and if married, in excess of \$4,000—are required to file reports, still the spirit of the law is that a husband and wife living together, with a joint income of over \$4,000, are liable for the normal tax on the excess of \$4,000. Right here is where I see the domestic cyclone. The husband, with his income of \$4,000, makes or report; his wife then with an income of \$4,000. makes no report; his wife, then, with an income of \$2,000, must pay tax upon all of it, or vice versa, for both cannot claim the exemption. Is it not a beautiful provision of this law that two single persons may together claim an exemption of \$6,000, and that a man and wife with a large family have only \$4,000 ex-I am convinced that before the parties responsible for this law are fully able to understand it, and about the time that our people have discovered their real rights and duties under it, that another Congress will blot it out. To take its place will be enacted another law to supply the necessary revenues of the Government, which will put a reasonable duty upon all imported articles that come into competition with American labor. When this time comes, our with American labor. When thi people will once more be happy."

On Wednesday, November 12th, a crowd of about twelve of we Cincinnati Chapter members journeyed to Dayton, Ohio, to be the guests of the Dayton Chapter at a dinner and regular meeting of that chapter. We all had a dandy time—saw the great National Cash Register plant, talked over flood times of last year, enjoyed a delightful dinner with the Dayton boys and afterward listened to an admirable address delivered to Dayton Chapter and a large audience of friends by Mr. Barrett, of the Cincinnati Sub-Treas-ury, on the subject of "Our Money," always an inter-esting subject for many reasons. It might not be out ury, on the subject or "Our Money," always an inter-esting subject for many reasons. It might not be out of place here to thank the Dayton boys for their charming hospitality and the rousing good time shown us. Those making the trip were Messrs. Beiser, Duble, Vosmer, George, Smith, Sohn, Brewster, Dayter, Bude, Harry, Sohn, Strewster, Street, Smith, Sohn, Brewster, Street, Smith, Sohn, Brewster, Smith, Smith, Shan, Smith, Smith, Shan, Smith, Shan, Smith, Smith, Shan, Smith, Smith, Shan, Smith, Smit Dupuis, Budde, Hampson, Kolb and Shockley.

Harry W. Benedict, our popular President, was

Harry W. Benedict, our popular President, was elected Assistant Cashier of his institution, the Fourth National Bank, a few weeks ago. Benedict is well equipped through chapter experience for such a promotion and he has our sincere congratulations. It is with deep regret that we mention the sudden death this past month of Edward R. Solar, one of our faithful members for many years. Mr. Solar, who was connected with the Second National Bank, passed away after only a short illness, in the prime of his life. We extend our sympathy to the sorrowing friends and family.

Our Law Classes, under the able direction of

Our Law Classes, under the able direction of Henry Mergler, continue to progress and grow and have become one of the strong points of our Educational Campaign.

# CLEVELAND.

#### By H. H. McKee.

LEVELAND CHAPTER opened its 1913-14 season with a reception by the officers and board of governors in the club rooms, Rose building. The reception was well attended and everybody appeared to enjoy themselves and take great pleasure in renewing acquaintances and talking over vacations and hearing informal reports from the Richmond Convention.

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Our first regular meeting was given over to a series of formal reports of the Richmond Convention by the delegates. Mr. Slach very ably reported the addresses of Mr. Bryan and Mr. Burton. Clay Herrick told us the story of election at Richmond. Mr. Palmer reported the symposium on clearing houses and Mr. Sears the symposium on bank advertising. L. C. Haas and W. R. Green told us of the many entertaining features of our visits in Washington and in Richmond, and Mr. Cherry reproduced for us some of the charming stories related by the governor in his address of welcome.

At our second regular meeting we had a real treat. Wm. Ganson Rose, who spoke so very entertainingly on the occasion of our banquet at the close of last year's season, was with us on this occasion, and as he stated, "to instruct rather than to entertain." The large attendance which greeted him were amply repaid for their effort in coming out on a stormy night by hearing a most instructive address on "The Profession of Business." We should be glad to publish this address in full, for it was unusually fine. Mr. Rose stated that according to the old idea the learned professions consisted of law, medicine and theology, but the evolution of business has advanced it to the rank of a profession. In America no occupation demands so much respect, not even statesmanship, except possibly that of the very highest rank. Perhaps one of the strongest points in his address was his classification of workers into actives and passives. The actives were those who worked for themselves; the passives those who worked for others. As he explained the mental attitude of the active and the passive, the active said to himself in the morning, "I am going down early this morning and put in nine hours of hard work for myself. I will exhibit so much ability and energy that my employer will see that he is paying me much less than my services are worth." The passive says, "I must get up early this morning and put in nine hours' hard work for the firm." The difference in mental attitude would measure the difference in the success attained by each class. At the close of Mr. Rose's address there was a short symposium on "Short Cuts in the Paying Teller's Cage." H. F. Pratt of the First National Bank, Perry Webber of the Bank of Commerce, Mr. Horton of the Central National and others took fart in the discussion. Not the least interesting feature of the program was the report of R. P. Sears, chairman of the membership committee. He reported an increase of about fifty new members since the

Election night was celebrated by the chapter in good style. George Cherry, our efficient entertainment committee chairman, arranged a very entertaining program which was enjoyed by chapter men, their wives and lady friends. Returns from State and municipal election were read during the evening and at the close of the program the rest of the evening was devoted to an informal dance.

opening of the new year.

The storm of Tuesday, November 11th, which practically crippled our street car service, caused a postponement of our regular program until the following Tuesday evening, when Edward E. Newman, Assistant Secretary of the Cleveland Trust Company and one of our own boys, gave a very clear explanation of the Federal Income Tax Law. Mr. Newman was thoroughly posted on his subject and answered clearly and convincingly all questions pertaining to the operation of the law, which were presented at the close of his address.

The educational program for the year is well under way. The class in law with an enrollment of more than eighty is being very ably conducted by Mr. Van Cleve of the Cleveland Law School, meeting every Tuesday evening at 6.45. The debating class with an enrollment of twenty-five has been organized under the leadership of Clay Herrick and will continue its work through the year, meeting the first and third Tuesday evenings of each month at 8. P.M.

# DALLAS. By W. J. Evans.

BANKERS

THE most striking feature of the educational work that is under way in our chapter is the remarkable growth in the attendance at our study classes. Each meeting shows a substantial increase in the number of young men who are determined to take up the regular course and pursue it to the end. This is largely attributable to the two factors upon which our leaders have for some time been counting heavily for producing a highly successful year's work, namely, the attractive and authoritative leadership of Prof. E. R. Cockrell, of Polytechnic Institute, whose scholarly and entertaining lectures clothe the dry details of the subject matter with a human interest which charms the attention of the students; and the ever-increasing interest in A. I. B. work created by approach of a national convention in our city.

Tuesday night, November 25th, we were regaled with an unusually fine program. By special request, Professor Cockrell made us a talk on the subject of "Pioneer Days," and his delightful sketch of the life and environments of the early settlers was thoroughly

Tuesday night, November 25th, we were regaled with an unusually fine program. By special request, Professor Cockrell made us a talk on the subject of "Pioneer Days," and his delightful sketch of the life and environments of the early settlers was thoroughly enjoyed. He spoke with eloquent sympathy and understanding of the "stage-driver story teller" and the "cow-puncher," whom, he said, so many writers have maligned and misrepresented; also of the "prospector," who was poor one day, but was always going to be rich the next. Eulogizing the sturdy bravery of the pioneer, he brought home to his hearers the lesson that pioneers have builded the nation and that "we have the problem of maintaining it."

Following this speaker, our popular Congressman,

Following this speaker, our popular Congressman, Hon. Hatton W. Sumners, whom many of your readers will remember for his picturesque word picture of Texas and Texans in his speech at Richmond, made a most enjoyable and timely talk on the subject of present-day economic problems which face the country.

Then W. P. Hillard, of the Mechanics' & Metals National Bank of New York, who is sojourning in this State in the interest of his bank, delivered a brief but felicitous message of greeting. He told of the newly organized chapter at Houston, which is starting off in good shape, and is undoubtedly the forerunner of many new organizations of the American Institute of Banking in the Southwest.

#### DAYTON.

#### By Charles M. Sinks.

THE class work for the coming year is progressing nicely, and already marked results are being obtained. Twenty-six members are now enrolled in the classes and an energetic campaign by the Educational Committee is expected to swell the number to fifty.

At the November meeting the chapter entertained as its guests quite a number of the members of Cincinnati Chapter, together with R. P. Barrett, Cashier of the Sub-Treasury at Cincinnati. Mr. Barrett delivered a very interesting and instructive address on "Our Money Making, and the Various Means of Detecting Counterfeits."

# DENVER.

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# By A. E. Ferguson.

ENVER CHAPTER is getting down to business this year better than ever before. We have the largest study class in the history of the local chapter, having an enrollment of thirty-four, with an average attendance of ninety-eight per cent. The class is studying Economics under the able instruction of Prof. D. Shaw Duncan, of the University of Denver, and much interest is manifested in the work and the subject. We hope to have many more certificate holders in Denver Chapter when the work of this year is completed.

when the work of this year is completed.

The Membership Committee, C. R. Ferguson, Chairman, is doing good work, having brought in thirteen new members at each of the meetings for

September, October and November. "Thirteen" is not a "hoodoo" in Denver. They hope to add seventy-"Thirteen" is

not a "hoodoo" in Denver. They hope to add seventyfive new men to the chapter this year.

The October meeting was taken up largely by
reports of the delegates to the Richmond Convention,
each one of whom returned brimful of enthusiasm
and good words for their treatment en route and at
Richmond. They were especially loud in their praises
of the reception and entertainment given them by
the Chicago and Washington chapters on their way.

Their account of their royal treatment at Richmond. Their account of their royal treatment at Richmond and the grand work of the Convention made every member present resolve to work toward becoming a delegate to some future National Convention. Denver Chapter is especially proud of having her candidate, William O. Bird, elected to the Executive Council, and conversions the Listitute that we missile and cil, and can assure the Institute that no mistake was

made in the selection.

At the November meeting we were very instructively entertained by a talk on the new Income Tax-law by Arthur Ponsford, attorney for the Denver Clearing House Association. Mr. Ponsford presented the subject in a very concise and able way and gave us a much clearer insight into the actual interpreta-tion of the law than we could have gained by much reading of it. Having talked before the chapter two or three years ago, he expressed surprise and grati-fication at the growth it had made in numbers and its progressiveness in fitting up club rooms in the

Chamber of Commerce building.

The Entertainment Committee, under the chairmanship of Sever Daley, proposes to give a minstrel show about the middle of February next.

The Educational Committee, Marsdon E. Weston, Chairman, plans to put some of the local members on the platform at the January meeting and ask them to talk on some subject of interest in our line of work. This will help the Institute men to cultivate the art of expressing their thoughts in public and no doubt help to produce some useful and efficient men for the chapter.

#### DETROIT.

#### By Joseph J. McGrath.

ETROIT CHAPTER has started a very enthusiastic study course this season, having secured the services of Prof. John H. Wilson, teacher of finance, banking and economics in the Central High School. Thirty members have enrolled and have taken advantage of the four nights' instructions by having a full attendance. The entertainment committee has enlivened the meetings with very classy programs and is planning an open house party New Year's Day.

# DULUTH.

By Joseph P. Chapman.

ULUTH CHAPTER held its first general meeting of the year October 21st, at the Kodahpa cabin on Lester River, at which time there were some thirty members present. Eighteen new men who had asked to join the chapter were voted in. That the chapter means business this year was shown by the number who signed up to take the law course, there being twenty-nine in all. We have been fortunate enough to again secure the services of Mr. Ross to instruct the class this year. Mr. Ross has been our instructor for the last five years, so all of the members have confidence in him. The class was memoers have connected in film. The cass was a little late in starting this year, but has made good progress since starting and is well up into the first pamphlet in the Commercial Law course. The chapter has had the first one of the five dances planned for the winter and it certainly was a success in every way.

# HARTFORD.

# By Wilbur F. Lawson.

THE educational classes of Hartford Chapter are in full swing and are proving successful. The members of the law class are showing great interest in the subject of "Negotiable Instruments," much to the gratification of the chapter offi-

cers and educational committee. While the banking class attendance is very good, we are sure that there are a few young men with Hartford banking institutions who are not taking advantage of this exceptional offer. Drop in some Thursday evening at 8 P.M. offer. Drop in some Thursday evening at 8 P.M. and see what the boys are doing. It will mean two hours well spent, and we are sure that you will not wait for another invitation to be present. The first regular meeting of the 1913-1914 season was held October 28th, and the chapter rooms were crowded. Edward R. Barlow, Vice-President of Hartford Chapter and delegate at large to the retired

ford Chapter, and delegate-at-large to the national convention, told us in a way that is certain to assure a good sized delegation to Dallas next year, what we missed by not going to Richmond. P. A. Flak, finger print expert, then spoke on the subject of "The History of Finger Prints and their Uses in Banks and other Institutions To-day." Mr. Flak proved to be an excellent speaker, and held a most attentive audience for over an hour with some practical demon-strations of his profession. A few of our members had their finger prints taken. We hope that they will never be taken again for other than banking reasons. Mr. Flak also detected the finger prints of another member on a suspicious looking bottle. The remainder of the evening was spent around the refreshment tables while Hartford Chapter orchestra entertained with some music.

November 18th saw our chapter rooms again crowded to hear Fred. W. Ellsworth, manager of the new business department of the Guaranty Trust Company of New York City. Mr. Ellsworth's subject was "Building a Bank's Business," and he told us in was "Building a Bank's Business," and he told us in a most interesting way how to do it. More bank officers were present than usual. The reason is evident. They were well repaid. Our members enjoy good music, and we had it at this meeting. C. H. Newton of the Connecticut Trust and Safe Deposit Company rendered a vocal solo which received two hearty encores. Hartford Chapter orchestra was again "on the job" and received much applause.

Do not forget the adding machine contest which will be held January 20th. Some mon arc beginning.

will be held January 20th. Some men are beginning to "warm up" already. Excellent prizes, which will be announced later, will be awarded this year.

#### KANSAS CITY.

# By C. W. Allendoerfer.

ANSAS CITY CHAPTER meets in the Clearing House rooms each Tuesday evening. At 8 o'clock the Law Instructor, Max Muenich, begins his lecture, following closely, as a basis for study by the members, the books printed by the Institute. At the end of his lecture, he conducts a quiz, which often brings up discussions of greatest interest and benefit. The law class adjourns at 9 o'clock. At 9.15 the Post-Graduate Class takes the room. Kansas City has nineteen graduates, and has added to the class all former chapter presidents and vice-presidents, some of whom are not graduates. It is the intention to further increase the membership by admitting men of experience. The Post-Graduate by admitting men of experience. The Post-Graduate Class is following the outline as furnished by the Institute, laying particular stress on those parts of the work which provide a foundation for the study of currency legislation. Should the currency bill be passed by Congress in the next few months, it is probable that the class will leave the outline temporarily for a study of the details of the worklow. rarily for a study of the details of the new law, but will expect to return to the outline as a guide to the general study of finance.

The Post-Graduate Class has a class President, Vice-President and Secretary-Treasurer, who, with two other members, constitute the Executive Comtwo other members, constitute the executive Committee. This Committee appoints each Tuesday two men whose duty it will be to have charge of the meetings two weeks later. In the week following the appointment, these two men go over the subject assigned to them, read the texts and divide the work into four to six parts with specific references to the volumes and pages in which information is contained, and which are available to the class. On the Tuesday night following their appointment, these four or six assignments are given to other members of the

class, who are to be prepared to discuss these points at the meeting the next week, so that each week there are two men in charge, who have themselves gone over the general subject for the evening, and who are responsible to the class for the evening's work. They have to assist them, the men to whom they have given assignments, and if one of these is absent or misses the point on the part assigned to him, it is the duty of those in charge to fill in the missing work. It is believed that the most active participation by members of the class is superior to addresses by outsiders, no matter how excellent they may be. Only members of the class participate in discussions, but all members of the chapter are welcome as guests at the 9.15 meeting.

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come as guests at the 9.15 meeting.

On the last Tuesday night of each month, the two classes referred to above will be suspended, and some form of entertainment will be provided. It is intended that this entertainment shall be educational in its nature. The chapter has added a large number of new members within the last few weeks, and its officers are confident that they are entering upon the best year the chapter has ever experienced.

The Secretary has sent to all members a card con-

The Secretary has sent to all members a card containing the following: "George E. Allen, the Educational Director of the American Institute of Banking, in his address before the Kansas City Chapter last Tuesday, outlined the history and the purposes of the Institute, and in closing made this remark, 'It is not claimed that, as a member of the chapter, or as a holder of its certificate, a man has the key to an immediate raise in salary or to a higher position, but it is claimed that a man who devotes his spare moments to study will place himself on a higher plane; that he will broaden his scope, his usefulness; that he will have an understanding of the principles surrounding his work, an understanding which tends to make work a pleasure, not a drudge. In large banks a most minute division of labor is necessary, and the clerk who has but one line of duty will become narrow-minded, unless he makes a fight against it. In this battle the most effective weapon is an education.'"

# MINNEAPOLIS.

#### By A. V. Smith.

the Minneapolis Chapter, American Institute of Banking, held the second of its regular dinners. These dinners are proving more than a success as is evidenced by the fact that there were present at this dinner about one hundred and twenty bank officers and bank clerks. Three or four of the past presidents of the chapter were with us. George H. Richards, now Secretary of the Minnesota Bankers' Association, spoke a few words upon the broadening influences of the chapter in banking as well as other lines of business. Lyman E. Wakefield, Treasurer of the Wells & Dickey Company, in a humorous way compared the advantages which the chapter men of to-day enjoy as compared with those few men who started the chapter, in the early days. Mr. Cobb, of the Farmers & Mechanics Bank, told us some of his experiences in the early days of the chapter. A. E. Lindjehm, of the Scandinavian-American National Bank, who was a delegate to the Richmond Convention, gave us a synopsis of the discussion carried on

tion, gave us a synopsis of the discussion carried on in the Clearing House symposium.

H. V. Mercer, president of the State Bar Association, who is one of the members of the commission appointed to investigate and draft a form of Workmen's Compensation Act, was the principal speaker of the evening. He told us how widely every phase of industry was affected by these compensation laws and spoke of the laboring men in general who are at a great disadvantage because of their lower intellectual powers and executive ability. He said that if every man's intellect and executive ability were equal, the laboring man would stand on the same footing as his employer, but as it is, some men are always ahead of others and therefore, in order to djustice to every one, the society in general must seek to compensate the weaker and endeavor to get

To emphasize his point he told us that the injury and loss of life during the whole period of the civil war was less than the injury and loss of life in any one year of industry at the present time. Until about a century ago no attention had been paid to replacing the human beings who were a part of the machinery of industry, although railroads set aside certain sums of money in sinking funds to replace their locomotives and rolling stock when worn out, factories set aside certain sums for depreciation in their machinery and all business made a practice of allowing so much for loss by depreciation and natural wear. At the beginning of the nineteenth century the movement was started in Austria and parts of Germany to provide for those who through accident or old age were compelled to quit working. Although the movement at first met with a great deal of opposition it gradually spread and to-day most of the countries in Europe have Compensation Acts of one form or another. In the United States this movement is the development of the past few years but it is getting stronger and a great many of the States now have acts upon their statute books which in some way seek to help the laboring man who may become maimed and thus rendered useless as a factor in the scheme of industry.

BANKERS

Mr. Mercer described the act as in force in Minnesota, telling us that it was an elective act; that is, the employer could elect to withdraw from any provisions of the act but in so doing he lost several of the defenses to which he was entitled under the common law. The employees could also elect to withdraw from under the benefits of this act but in so doing they lost several of the privileges which they had hitherto enjoyed. Mr. Mercer said that the act was far from perfect but it is hoped that within a very short time the defects will show themselves and such remedies as may be needed can be applied.

The educational work has more than kept up with the expectations of the committees who have charge of the various classes, about one hundred being enrolled in the three classes which we are now conducting, and several have already inquired about the work for the classes which will start in February, which we think is an excellent sign of awakened interest in the educational work.

#### NASHVILLE.

# By J. A. Grannis.

THINGS continue to move along smoothly with us, all working to a common end, that of making this one of the best years in the chapter's history. Especially encouraging is the growth of membership, which shows a substantial increase over that of last year. The interest in the educational features of the Institute is very good, and out of an enrollment in the law class of about thirty fellows we have a regular attendance of over twenty. Of this twenty, seventeen took the examination on the first pamphiet. For the benefit of those who care to review the text, and more especially for those who have either begun the work late or who may care to reter now, a study class has been organized which meets weekly. This feature is proving a success here, and other chapters who have not adopted it might try the system with good results.

A debate on the Owen-Glass Currency bill will be the feature of our next monthly meeting in December and will give a good opportunity for some of our young Demosthers to pull some oratory. The result of the debate will be announced in our next chaptergram.

An announcement which will be of interest to many readers of these columns is the appointment of John J. Heflin, formerly a president of this chapter and one of the organizers of the local Institute, as Assistant to the State Superintendent of Banks. This office was created by the last legislature, and no wiser selection of a man to fill this important position could have been made.

#### NEW ORLEANS.

#### By Joseph J. Farrell.

UR law class is rolling along very nicely, the average attendance being sixty-five to eighty, which is remarkably good for these parts. We are fortunate in having Professor Robinson to conduct the classes, and under his direction great

interest is being displayed.

interest is being displayed.

The Chapter Forum, under the able leadership of R. S. Hecht, who has done such good work in the past along educational lines, has been organized, and, judging from the enthusiasm of the members of the class, its success is assured. This is the first time in the history of New Orleans Chapter that classes in two different subjects have been conducted at the constitution of the success this importation is meet. same time, and the success this innovation is meeting is worthy of remark.

We have just published our Year Book (the second chapter calendar to be issued by New Orleans Chapter), and its appearance has greatly enthused the members, indicating as it does the progress being made by the chapter. Since its issuance our membership has increased nearly twenty-five per cent, and the reawakened interest in educational work is

indeed gratifying.

#### NEW YORK.

#### By Harold S. Schultz.

OW that the rush of events attending the opening of chapter activities for the year is over, and the large influx of new members has been cared for, our men have settled down in dead earnest to the business of providing themselves with a generous fund of knowledge. This gives an oppor-tunity to reflect a little upon the nature of the work as given by the various instructors, and it may be of interest to our brothers in other chapters to get some idea of the particular subjects expounded by the lecturers.

The practical banking course, which now numbers about three hundred and eighty in constant attendance, has just finished the introductory portion of its schedule, which consisted of seven lectures on the details of the "Duties of Junior Clerks." Beginning with an address on the moral requirements of a young man who intends to make banking his life profession, the lecturers have explained in logical sequence the various duties of the messenger, and the clerk in the departments of the receiving teller, paying teller, collection and bookkeeper, thus giving a solid foundation upon which to base the lectures on the more technical and intricate problems which men as heads of these departments are obliged to tendance, has just finished the introductory portion men as heads of these departments are obliged to face. Much keen interest has been evinced in the work both by the lecturers and the listeners, even by work both by the lecturers and the listeners, even by the older men who probably know the nature of this routine by heart. The fact that applications for membership in this class are still being received is proof of its popularity and value.

As a basis for good judgment as to how and when to make investments, the course in "Fundamental Business Conditions" as treated by Dr. John Franklin Crowell, of the "Wall Street Journal," is indeed excellent. Dr. Crowell began his work with a general discussion of the fundamentals of economics of the proceed from the tangential "International Control of the Conditional Control of Cont ics, and has passed from that to practical illustrations of how to determine business conditions from a study of events and a comparison of industrial statistics. Students have been required to answer questions, solve problems, and prepare theses as the work has

progressed, thus creating much enthusiastic interest and fostering a healthful competitive spirit. M. W. Harrison, of the Brocklyn Savings Bank, conducts the class in Commercial Law on Thursday evenings. Judging from the hot discussions which take place over many a knotty problem, there is no room for doubt about the thorough manner in which the principles of contracts have been driven home in the minds of the many that have attended. Mr. Harrison believes that with a thorough knowledge of contracts the law student has mastered the main difficulties incidental to a legal training, and he has in this way prepared to gain a high degree of pro-ficiency in the technicalities of the Negotiable Instruments Law in which bankers are especially interested.

Ease in composition, or calling the attention to the little details of speech and letter writing, the use or omission of which distinguishes so clearly the or omission of which distinguishes so clearly the amateur from the professional, is the particular aim of Dr. F. M. Whitehall, of the Stuyvesant High School, in his lectures to the class in English. In other words, the attention of the student on Friday nights is called to the fine points necessary to be known by the writer of a good business letter, and to the avoidance of all that is superfluous and unnecessary, and also to the best methods to bring out clearly and concisely the thought that the writer desires to convergisely the thought that the writer desires to converge cisely the thought that the writer desires to convey: The students in this class, in addition to actually writing letters, are required to read selections from various authors of good English to improve their vocabularies and to inculcate in themselves the habit of using English correctly without slurring the words,

as so many "New Yawkers" are apt to do.

Following the work in English each night a few minutes are devoted to public speaking, and it is quite remarkable to witness the improvement of the "orators" as week follows week. The intrinsic value of this part of the work is the opportunity given to a man to increase his self-confidence, which is the

first step toward a successful career.

The Chapter Forum meets on alternate Friday evenings and its discussions are followed with much zeal. The history of banks and the application of the best principles of the past to present-day conditions are the main features of each meeting.

"The Segregation of Savings Deposits in Com-mercial Banks" is the subject chosen for Cannon mercial Banks' is the subject chosen for Cannon Prize competitors this year, and a spirited contest is anticipated. Members of the chapter, all of whom are entitled to work for this prize, are permitted to take either side of the question. This is a good live subject and members are urged to begin at once to try for it.

J. S. Creighton, of the Irving National Bank, has been elected First Vice-President of the chapter, to fill the vacancy caused by the resignation of O. Howard Wolfe, who advanced to the office of President in September. He has also been nominated to fill the vacancy on the Board of Governors caused by the resignation of A. W. Hudson, our former President. Mr. Creighton was for several years consul at the Irving National Bank, and in that capacity built up a strong local organization. He has served the chap-ter faithfully and creditably a number of times as chairman of important committees and was a delegate to the recent Convention at Richmond.

The chapter was favored recently by a visit from The chapter was favored recently by a visit from several notables. Among them on our register we find the name of A. B. Runkle, of Runkle Brothers of this city, and Hon. Frank I. Cohen, R. S. H. Recent Master of Works, of Glasgow, Scotland.

F. W. Ellsworth, of the Guaranty Trust Co., spoke before Hartford Chapter, on November 13th, on the subject of "Building the Business of a Bank"

on the subject of "Building the Business of a Bank."

President Wolfe recently delivered an address for
the Bankers' Club of Westfield on the "Bank Check, What it Is and What it Does."

B. S. Miller, of the Chemical National Bank and chairman of our house committee, is President of the Bank Clerks' Bowling League. A tournament is now on, in which keen interest is being taken.

At the invitation of L. A. Mershon and B. L. Reid, our consul at the United States Mortgage and Trust Co., some of our officers paid a visit to that institution on November 7th and told the men about New York Chapter. Mr. Parsons, Vice-President of the company, presided at the meeting and gave our officers a most cordial reception. It is with pride and pleasure that we announce an addition of nine new members from this institution since our meeting. A number of others from this institution have visited us since, and we are glad to know that such an interest has been created. C. J. Fetterer is now credit man of the Bank of

Metropolis.

Edward Henn, of the Jersey City Trust Co., is now Assistant Secretary and Treasurer of that in-

#### OAKLAND.

#### By George W. Ludlow.

AKLAND CHAPTER started part two of the Institute course on September 23d under the auspices of the University Extension Society of the University of California. Maurice Hara practicing attorney, and also an instructor Department of Jurisprudence at Berkeley, is conducting the class, using the Institute pamphlets as text-books. The course will comprise a series of thirty lectures, on completion of which Mr. Harrison will conduct a written examination, and those passing will not only be entitled to credit on an Institute certificate, but will also be allowed two units to apply on a University degree. Eighty, out of a membership of two hundred, have enrolled for this course and we have an average attendance of sixty. The class meets every Tuesday evening and starts promptly at eight o'clock.

In lieu of the annual ladies' night, a lecture on the Panama-Pacific International Exposition and the Panama - Pacine International Exposition and the Panama Canal, illustrated by colored slides and motion pictures, was given by Louis Levy, Chief of the Local Publicity of the Exposition, on October 29th, in the Chamber of Commerce Auditorium. The slides showed the buildings, courts, statuary, lighting effects, etc., and the motion pictures showed the construction of the buildings and other progress, and the dedication ceremonies on the sites of various States and foreign countries. There were moving pictures of the canal which gave a very clear idea of states and toreign countries. There were moving pictures of the canal which gave a very clear idea of how the locks will work, and brought home to us the enormity of the undertaking as nothing else could, save a visit to the Canal Zone. Until this meeting, at which there were over two hundred present, we did not fully realize what a great affair was being planned for your wint home.

planned for your visit here in 1915, Oakland Chapter has reached the two hundred mark in membership, and has increased in educational efficiency in a proportion greater than the in-

tional emiciency in a proportion greater than the increase in membership.

On November 20th we listened to a very instructive talk on "The Pending Currency Legislation" by James K. Lynch, Vice-President of the First National Bank of San Francisco. There were ninetyfive members present.

# PHILADELPHIA. By Anthony G. Felix.

HILADELPHIA CHAPTER members gave a strik-HILADELPHIA CHAPTER members gave a strik-ing demonstration of their keen interest in the vital financial subjects of the day by an un-usually large turnout at the first regular meet-ing of the year, November 14th, the attraction being an analysis of the Federal Reserve Bill (as it came out of the House of Representatives), both from the standpoint of the practical banker as well as from that of the trained economist. The importance of the subject and the prominence of the speakers, Mr. Charles S. Calwell, President of the Corn Exchange National Bank, and Albert Sidney Bolles, Ph.D., LL.D Lecturer on Commercial Law and Banking, Haverford College, make their discussions a matter of interest to all Institute members.

Mr. Calwell characterized the House measure as being more than a currency bill, adding that it was also a credit bill; and pointed out that if it becomes a law, as at present constituted, it will cause a severe reduction in credit and a resultant hardship to the business man, emphasizing that it is the business man who must always bear the brunt of imperfect banking legislation.

He expressed numerous objections to the bill, indicating among other things that it subjects credit to the whims of politicians; it enforces subscriptions to the stock of the reserve associations; provides for to the stock of the reserve associations; provides for note issue by the Government instead of by the banks; transfers all reserves to the reserve associations; compels city banks to carry larger reserves than country banks; and finally that it forces the segregation of savings deposits and obliges the investment of such funds in certain securities listed by the Federal beard. In an interesting summary of the the Federal board. In an interesting summary of this

latter phase, the speaker declared that of the total savings deposits indicated by report of the Comptroller of the Currency, \$735,000,000 was held by the country banks, and that all loans to the country storekeeper and farmer based on these sums would have to be called in and invested in securities.

Professor Bolles, in his discussion of the bill, voiced the opinion that in a time of stress we would find ourselves in the position of trying to eat the cake and have it, too—a plan manifestly impracticable. He stated that because of the necessity that the proposed "reserve" associations keep their funds invested, the relief banks would be found as great a delusion

as have call loans during past periods of stringency.

The evening was brought to a close by a very inspiring address by our good friend, E. J. Cattell. words of encouragement filled us with greater pride in our profession and a renewed determination to so thoroughly ground ourselves in the funda-mentals of the banking business through the medium of the A. I. B. that we will be found ready for that advancement which is sure to follow.

The educational work of Philadelphia Chapter is now in full swing and over one hundred men are en-rolled in the two classes—Commercial Law and Bank-ing—both of which are holding weekly meetings. Our debate section has settled down to hard work

filled with a determination to retain possession of the Pennsylvania Bankers' Association cup won last year. Arrangements are being made for the annual debate with New York Chapter and we again hope to give a good account of ourselves. We have been to give a good account of ourselves. We have been fortunate in securing as coach Samuel B. Scott, a prominent member of the Philadelphia bar, under whose guidance skilled debaters will surely be developed.

The Post-Graduate Forum has now completed that part of the outlined course dealing with the development of banking in the United States, and at the next meeting will commence the general study of banking systems of England, Germany, France, Can-ada, Scotland, etc. Much of the success of this Forum has been due to the able leadership of its chairman, Freas Brown Snyder, and the members of the class are a unit in declaring that the basis provided by the course has been of a very material aid in the study of present day financial problems.

The Speakers' Committee promise that at our December Chapter meeting we will have settled for us some of the intricacies of the new Income Tax Law, together with its mysterious "collection at the source" provisions. It is to be a strictly "Tax Evening," and the speakers will be B. Gordon Bromley and James H. Dix, who will have as their subjects "The Federal Income Tax" and "The Single Tax."

The names of Mr. Harry J. Haas and also that of our energetic Vice-President, Carl W. Fenninger, have been recommended to the Executive Council for election to the Fellowship class. Both have long been prominent in chapter activities—they have contributed more than their share towards its success and well cember Chapter meeting we will have settled for us some of the intricacies of the new Income Tax Law,

more than their share towards its success and well deserve this recognition of their good services.

# PITTSBURGH. By H. C. Pearce.

ANKING was Professor Brogan's subject for Tuesday, October 28th, and as usual was as interesting and instructive as all his subjects are. Following Professor Brogan, J. E. Rovensky, formerly Manager of the Foreign Department of the First-Second National Bank, gave the chapter a fine and lucid explanation of Foreign Exchange and dealt mainly with letters of credit and travellers' checks. Mr. Rovensky produced specimens of various letters of credit issued by the different banking houses all over the world, and explained the merits and demerits of their systems, and also pointed out the amount of protection afforded to customers and purchasers of protection anorued to customers and purchasers of same, especially as to the safety paper on which these letters of credit were printed. He gave some amusing instances in his personal travels, Mr. Rovensky hav-ing several times visited the European countries. Our usual open night falling on election day the chapter meeting was held on the day previous, November 3d, at which time James H. Beal of the firm of Reed, Smith, Shaw & Beal, Attorneys of this city, explained very clearly and as fully as time would allow, the income tax law. Mr. Beal had just returned from Washington where he had been in consultation with the income tax officials, and was therefore fully received on the current decisions of the insuitation with the income tax officials, and was therefore fully posted on the current decisions of the income tax law. He said that it was in his opinion a measure that had come to stay, and it behooved all of us to become acquainted with the intricacies of the act, whether we were liable or not for the payment of income tax. Mr. Beal explained various points of the act in a clear and concise manner, and stated that although he did not criticize the bill as a whole he suggested that here were many points some whole, he suggested that here were many points, some of which he had touched upon, upon which he remedied as the bill worked itself out. Mr. Beal was accorded a rising vote of thanks for his splendid effort.

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On November 11th, Professor Brogan gave the chapter a very clever paper entitled "The Drama," and dealt with the criticisms of some of the Shakespearean plays as well as the various arts and stages of dramas. This was a most excellent paper and was or dramas. This was a most excellent paper and was well received. Following Professor Brogan, A. A. Benton of New York, managing partner of the firm of Marwick, Mitchell, Peat & Co., gave an address on practical banking, and in conjunction with the same he illustrated by lantern slides a great number of charts used in the organization of various banking. institutions and business enterprises, pointing out defects in the various systems and suggesting improve-

fects in the various systems and suggesting improvements whereby the best efficiency could be secured. Harrison Nesbit, President of the Bank of Pittsburgh, was unavoidably absent on November 18th, and the whole evening was given to Professor Brogan for English. He dealt with the sequence of tense in the first half of the evening, and the latter part was given up to a spelling competition among the chapter recorders a great many of them tripping up on commembers, a great many of them tripping up on com-

mon everyday words.

On November 25th, Professor I. A. Timlin took the place of Professor Brogan in English work. He was followed by A. N. Voegtly, Secretary and Treasurer of the Pittsburgh Bank for Savings, who spoke on "Savings Bank." He said, among other things, that the savings bank system has not been perfected to the same extent in America as in the older European countries. The Scotch had the system of thrift to professional that the first known savings bank. mon everyday words. to the same extent in America as in the older European countries. The Scotch had the system of thrift to perfection, and that the first known savings bank was organized in Scotland, as well as a great many friendly societies, the purposes of the latter being to aid members in time of distress. He indicated that the savings bank system was adopted in America about 1816, and that in November of that year the Philadelphia Savings Fund Society was organized, which is claimed to be the first savings bank in this country, although this point is contradicted.

# PORTLAND.

#### By Earl W. Hammond.

ORTLAND CHAPTER at the present writing is PORTLAND CHAPTER at the present withing is very much elated over the news of the intended visit here of our President, Mr. Dreher, the first part of December. As this is the first visit of the Institute President here since the Seattle Convention, when we were mere infants, we hope to be able to show him a chapter equal to any in the cities of a quarter of a million class. Our chapter work is or a quarter of a million class. Our chapter work is now under full sway, meeting weekly in the law course, and we have completed arrangements for a course in public speaking. We hope to make this a very attractive part of our Institute work.

Realizing the truth of the old motto, "All work and no play," our entertainment committee pre-

and no play," our entertainment committee pre-pared for the chapter members their first smoker in the form of an athletic night. This consisted of three closely contested boxing bouts and one wrestling match, which proved to be a new form of entertainment for the members. The contestants were as follows: Boxing—Frank McGinty, of Ladd & Tilton Bank, J. F. Douglas, Northwestern National; Joe Sinnott, of Hibernia Savings Bank; Carroll Tomlinson, First National Bank; and Ben Newell, Ladd & Tilton; Arthur Cronquest, of Lumbermen's National Bank. It might be mentioned here that Mr. Cronquest recently won the title of coast champion of the 145-pound class at the contests held in this city under the auspices of the Multnomah Amateur Athletic Club this month. The wrestling match was Athletic Club this month. The wrestling match was a contest between Frank McGinty and Virgil Ham-lin. Cider and apples were served with the cigars during the course of the contests, while the musical part of the program was rendered by two of Portland's foremost colored musicians.

One of the events of the year's entertainments

looked forward to with much interest by the Institute members is the annual dance, to be given on the evening of December 3d at the Masonic Temple, an account of which will be given in our next letter.

#### PROVIDENCE.

# By E. A. Havens.

THE final echoes of the Richmond Convention had scarcely died away when the bank men of this section were called upon to attend that great gathering in the neighboring city of Boston—
the Convention of the American Bankers Association.
Many members of Providence Chapter were privi-

leged to enjoy this opportunity, one banking institu-tion in this city sending several of its employees to Boston each day, not only from the official staff, but from the rank and file as well. Rumor has it that the task of arranging and

Rumor has it that the task of arranging and carrying out the elaborate program of the Convention was directed by a well-known Boston Chapter man. This gentleman is doubtless too modest to acknowledge it, but the careful attention to every detail connected with the handling of so vast an assemblage seemed to bear the stamp of Institute work.

Boston Chapter, with its usual hospitality, enterproduced the vigiting Institute men with a fine lunches.

tained the visiting Institute men with a fine luncheon at the Hotel Somerset, which was greatly appreciated by those who were able to attend.

Five years ago Providence Chapter reached the zenith of its career in membership and enthusiasm. Since that time the chapter has been afflicted one of those periods of depression common to many organizations. A few men have, however, refused to believe that the work of the chapter in the community was at an end, and amid discouraging conditions have looked forward to a turning of the tide.

The state of affairs at the opening of this season's work seems to justify the faith by which they were actuated.

Mr. Elder, the President, and Mr. Marshall, Chairman of the Committee on Education, are full of enthusiasm and are entitled to credit for the suc-

cess which their labors have thus far produced.

The first meeting of the chapter was held at the Noonday Club on the evening of October 28th. Sixty-Noonday Club on the evening of October 28th. Sixty-five covers were laid for dinner. Following the din-ner, brief reports were made by delegates to Rich-mond and the chapter listened to an address on "The Pending Currency Legislation" by William Reed, As-sistant Cashier of the National City Bank of New York York.

Events are moving so rapidly along the line of Mr. Reed's address that any synopsis of it would appear like past history by the time the article appears in print. The address was, however, up to the minute at the time of its delivery and threw new light upon the sound principles involved in the issue of currency and the mobilization of reserves.

On November 4th the Executive Committee admitted twenty-one new members to the Chapter, and several other applications are now awaiting action. On the same date our class in law was organized

with an enrollment of nineteen members, and on November 5th a class in banking was organized with an enrollment of twenty-five members. E. Berry Moulton is in charge of the law class, and the manner in which he has started his work indicates that his students will be well grounded in the subjects studied by them.
We are indeed fortunate in again having Horace

E. Jacobs for an instructor in the banking course. No student under Mr. Jacobs can fail to realize that he must work with a definite object in view—viz., the passing the Institute examination—and that work means study, regular attendance and a thorough understanding of the subjects presented.

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The chapter has practically discarded the oral system of lectures. We believe that the class-room method is far preferable and that our classes, being small, are particularly adapted to work of this nature.

#### ROCHESTER.

#### By Fred D. Whitney.

HE month of November has been an exceedingly busy one for the Rochester Chapter. While the While the work of the law class has been going on for the last two months, it has been the month of November that has brought out the activities of the advanced class and the informal debating class.

The different committees have been working most The different committees have been working most diligently during the last few months on the proposed plans for the season, and the enthusiasm displayed by the members at the various classes assures the officers of the most successful year in the history of the local chapter.

We have an enrollment of over twenty-five in the law class with an element parket average of extended.

law class with an almost perfect average of attendance, and with such an efficient teacher as George S. Van Schaick—this being his third year with us—we expect to turn out many more graduates this year than heretofore.

Our debating class has a membership of twelve at the present time. We are studying "Agricultural Credits," and hope to have the able assistance of Meyer Jacobstein, Assistant Professor of Economics at the University of Rochester, as coach. It is our intention to have local debates during the winter, end-

tention to have local debates during the winter, ending with a debate at Syracuse in the early spring.

The advanced class held their first meeting November 14th, the subject being "Stocks and Bonds."
Harold D. Bentley, a broker of this city, treated the question in a most thorough manner and led the informal discussion that followed. On the 28th we are to listen to Professor Jacobstein on "Agricultural Credits.'

The first monthly dinner was held at the Chamber of Commerce on the evening of November 25th, there being about one hundred in attendance, among them several of the officers whom we are always glad to see.

Percival D. Oviatt, a prominent attorney of this city, was the principal speaker, using as his subject, "The Income Tax, What It Is." As the question is of great importance, especially to the bankers at the present moment, it was listened to with a great amount of interest. Mr. Oviatt devoted the first part of his talk to the history of the different methods of taxation, from the time of Washington down to the present law, showing how a direct and an indirect tax can be operated. He pointed out that the basis of thought in the present "Income Tax" bill, with the exemptions of \$\$,000 or \$4,000, was that "the man who is best able shall pay the tax."

His interpretation of different parts of the bill demonstrated that there will be a great amount of confusion and misunderstanding in filing the "Returns" with the Government. He also explained the various reasons given why the exemption was placed at \$3.000 and \$4,000.

at \$3.000 and \$4,000.

Mr. Oviatt was one of the most forceful speakers the Rochester Chapter has had the pleasure of listen-ing to in some time and had no difficulty in holding every man in his seat until he finished.

#### ST. LOUIS.

# By J. E. Uhrig.

NCE again we look with pride to the man, Byron W. Moser, whose push and energy have received recognition through the action of St. Louis Union Trust Co. electing him Assistant retary. We hold him strictly an Institute prod-Secretary.

uct, for by its advantages and his indomitable spirit to do things and to get there he has reaped rightly the efforts of his hard work. Twice President of St. the efforts of his hard work. Twice President of St. Louis Chapter and as President of the American Institute of Banking, he has put forth diligent effort in behalf of the Institute. We should hold him up as an example of what hard work, an analytical mind, gained through chapter work and persistent effort in one direction, will bring to a man. It is difficult to define the elements of success or to catechise our business life and point to the student and say, Learn this and that and success will come to you; but we can often point to a successful man and say that efficiency, hard work, and persevering methods have been rewarded by success.



BYRON W. MOSER.

"Currency Legislation and its Effect on Central Reserve Cities" was the subject of F. O. Watts' address at the general meeting of St. Louis Chapter on November 19th. Mr. Watts, President of the Third National Bank of St. Louis and a former President of the American Bankers Association, attracted a large and enthusiastic assembly. He said, in the main, that any successful currency legislation must have six general essential provisions: centralization of reserves: an elastic issue of bank notes based on have six general essential provisions: centralization of reserves; an elastic issue of bank notes based on commercial assets; the use of United States deposits in the channels of trade; the establishment of rediscounting agencies and a discount market; authority to the larger banks to establish foreign agencies or branches; readjustment of United States bond contracts and ultimate retiring of bond-secured currency. There would be a contraction of credit through the There would be no contraction of credit through the decrease in deposits, this being offset by reserves released and funds in transit and provisions for a re-discount system.

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# ST. PAUL. By R. A. Brandt.

October 28th at the Commercial Club, with the "Dinner Plan." The fact that this is going to be a banner year for this chapter was plainly shown by the large turnout of clerks and bank officers.

President Nordstrom opened the meeting with a short address on the plans for this year. He ex-pressed himself as being well pleased with the results this far accomplished.

To our surprise, we were introduced to John W. Gorby, Vice-President of the Chicago Chapter, who happened to be in town on business. He is well

posted on chapter work and gave us a good idea of what the Chicago Chapter was doing.

J. A. O. Preus, State Superintendent of Insurance, gave us a good talk, defining the different kinds of insurance. He said that carelessness was largely responsible for the increase of loss by fire in this country. One of the examples which he cited was that of a cigarette smoker who was responsible for the burning of a shirt-waist factory and the loss of 137 lives.

Kelsey Chase, State Superintendent of Banking, delivered a talk on country bank examining. plained how hard it is to detect errors in the country banks, especially where the bank is owned by one man or a few men. He said he favored the banks being owned by a large number and being directed by a large number of directors. He also mentioned that he was sending out circulars to the directors of country banks emphasizing the responsibility that

rests upon them.

L. C. Hodgson ("Larry Ho") gave a very good talk on "Mortal Counterfeits." Mr. Fink, who was at one time president of this chapter, had a few words of encouragement to give us on our large

Everybody was well pleased with the opening night, and since then we have had a number of applications for membership.

Our Dancing Committee has made arrangements to hold a dance on December 12th at the Masonic Temple. They promise a good time, Our membership which is about 125 now, is still climbing and we are looking forward to see the 200

before the year is over.

mark before the year is over.

The next meeting will be held on December 3d at the Merchant Hotel. Ex-Governor Van Sant, who is President of the Van Sant Investment Co., has promised to give a talk on "Farm Mortgages." He has had years of experience in this line and will no doubt prove very interesting. Mr. Pearson, one of St. Paul's prominent attorneys, will talk on the new Negotiable Instruments Law as it was passed by the legislature here in Minnesota last year. legislature here in Minnesota last year.

# SALT LAKE CITY. By Willard S. Evans.

THE activities in the Salt Lake Chapter for the season of 1913-1914 are well under way. The course of study outlined by the chapter for the course of study outlined by the chapter for the coming season is one of great importance, and if followed closely by the members will be of great benefit to them. We have decided to take the course in commercial law provided for by the A. I. B. T. W. Ball, of McCornick & Co., an Institute graduate and an advanced student in law, will conduct the class.

J. A. Malia, Chairman of the Educational Committee, has prepared a series of lectures and talks on all of the different departments of a bank. These consults will be taken up and discussed by some com-

topics will be taken up and discussed by some competent person and one who has direct charge of that particular department of the bank that is under

There will be two nights in the month devoted There will be two nights in the month devoted to the study of law, alternating with open nights. The Entertainment Committee has also arranged for a regular monthly dinner at the Commercial Club rooms and an occasional dance. The aim of the chapter this season is to devote a greater portion of its time along the educational lines.

#### SAN ANTONIO.

# By L. F. Ferguson.

R. KEITH of Dallas has just reported to us that the impression at Richmond was that the San Antonio Chapter was either dead or doing almost nothing. We would like to correct this. almost nothing. We would like to correct this. While our chapter is not on the boom, we are getting

along very nicely, our average attendance being from ten to fifteen, all of whom are studying. At our last open meeting Franz C. Groos, President of the Groos

open meeting Franz C. Groos, Fresident of the Groos National Bank, gave us a talk on the new currency bill, which was enjoyed by all. Mr. Keith, President of Dallas Chapter, has just paid us a visit, and we had a heart to heart talk with him, dealing principally upon the upbuilding of our chapter. We all gave our promise to Mr. Keith that we would get to work, and next month we expect to report an increased membership. While we were not represented at Richmond, we expect to be in Dallas strong next year.

#### SPOKANE.

# By A. F. Brunkow.

T the monthly open meeting held on November 5th, last, F. J. Robinson of the Fidelity National

A 5th, last, F. J. Robinson of the Fidelity National Bank was elected Treasurer of our chapter, this change being necessitated by the resignation of L. G. Greene, who leaves here for Los Angeles. During the evening, M. H. Wasson, of the Spokane Press Clipping Bureau, gave a short talk on "Bank Advertising." President Gage, who attended the Convention at Richmond as delegate, gave us a very interesting and complete report of the Convention proceedings, and also of the hospitalities extended by Richmond Chapter and chapters of the other cities visited. Otto Allgaier entertained us with other cities visited. Otto Allgaier entertained us with several piano selections.

Our chapter has been very unfortunate and regrets the loss of several of its most active members who have left the city during the past few months. Earl S. Rowe, formerly of the Traders National Bank, has gone to Sandpoint, Idaho, to assume an assistant cashiership of the First National Bank at that place. C. E. Cooper has gone to British Columbia to engage in railroad construction. J. E. Bottomley of Spokane & Eastern Trust Company goes to San Francisco to account a new position. accept a new position.

#### SYRACUSE.

#### By J. J. Hughes.

HE interest in our chapter work has not only been maintained but is growing steadily. There is a close relation between the law class with its open discussion feature and the class in public address, which is helping us to put our ideas into words. The combination of these two branches form an education of high value to bankers, and perhaps the realization of this has to do with the growing attendance on these meeting nights. On Friday evening, November 14th, we were favored with an address by H. P. Conlin, Ex-Cashier of the Montauk Bank, and former Vice-President of Brooklyn Chapter, who discussed "Some Insurance Facts of Interest to Bankers." Mr. Conlin's ability to handle his subject from the angle of a banker made his discussion very interesting. On Tuesday, November 25th, a friend to whom the latch string always hangeth out, dropped in among us and the warmth of friendship shown to Mr. Kniffin was evidence of our regard. open discussion feature and the class our regard.

# UTICA. By F. P. McGinty.

TICA CHAPTER is doing satisfactory educa-tional work. The attendance at our study meetings, which we hold weekly, averages about thirty. The men take great interest in about thirty. The men take great interest in the lectures, which Professor Goodhue makes extremethe lectures, which Professor Goodhue makes extremely interesting. At each meeting he submits a list of readings which relate to the subject to be lectured upon at our next meeting. In this way we feel that we get the best results from the lectures. Following the regular lectures we have an "Open Forum" at which one or more papers are read on subjects such as the proposed "Federal Reserve Act" and the "Income Tax." These subjects are then discussed and we feel that by so doing the men keep informed upon the questions of the day relative to banking. the questions of the day relative to banking.

#### WASHINGTON. By F. B. Devereux.

THE

OF

UDGED from the point of attendance and enthusiasm manifested, the October open meeting of Washington Chapter was more than a success. We were honored on this occasion by the presof Honorable John F. Shafroth, United States Senator from Colorado, George E. Allen, Educational Director, and a host of bank officials and directors.

The subject of the Senator's speech was ing Currency Legislation." Considered an expert on currency matters he proceeded to give his personal views of the bill now under consideration, which in

part were as follows:

"There should be ten or twelve regional banks.
Europe is not so big as the United States, and yet they have a great many more than ten such banks, and they have less business. Forty per cent. of the banking industry is carried on in this country. And then, it is largely a question of geography. There should be banks in every section of the country.

"It is necessary that the head of a regional bank know the bank presidents with whom he is to deal.

Therefore, there should be but a reasonable distance between banks."

Following the Senator, Mr. Allen, a somewhat un-expected but always welcome visitor, spoke on the educational work of the Institute. In connection with the currency bill he assured the members that there need be no worry. The bill, he said, will cause ruin to none, however good or bad it may be.

As a result of a resolution passed at this meeting, we have applied and our application has since

for membership accepted, in the American

Bankers Association.

The success of our law class has far surpassed our fondest hopes and expectations. The enthusiasm of the one hundred and eighteen members enrolled is a fitting testimonial to those active chapter members who have taken a deep interest in the promotion of this all important work. Since the opening meeting in October seventy-five young bank men have been "shown the light" and are now active and earnest participants in our chapter work.

Our chapter has been honored at the hands of President Dreher by the appointment of two of our members to committeeships. W. W. Spaid has been named Chairman of the Transportation Committee. Suffice it to say that genial "Bill" is already on the job and those who will attend the Dallas Convention

will be well taken care of.

F. B. Devereux has been appointed a member of

r. B. Devereux has been appointed a member of the National Publicity Committee. The many friends of Charles H. Doing, Jr., our last year's president, will be glad to learn of his recovery from an operation which has deprived us of his presence and services for the past six weeks.

The annual banquet will be held at the Raleigh

The annual banquet will be need at the Raleign Hotel on Saturday evening, February 21, 1914. The committee in charge, under the able direction of A. S. Carter, as chairman, are planning some new depart-ures with the object in view of making this a red letter event.

### WHEELING. By William W. England.

HEELING CHAPTER has been making good progress with their study class since we have progress with their study class since we have commenced on our second year. We have been having good attendance at our class meetings and the boys are taking more interest since we have been fortunate in securing the services of we nave been fortunate in securing the services of B. H. Conner, of the Linsley Institute, as instructor of our class. Since the last Chaptergram, Wheeling Chapter has commenced the second year of its existence, and although we have lost a few of our members, everything looks brighter for the chapter than ever before.

#### ARTHUR REYNOLDS ON THE INSTITUTE.

N his address at the Boston Convention of the American Bankers Association, Arthur Reynolds, who became the administration head of the Association upon the death of Mr. Huttig, referred to the Institute as follows: "The American Institute

of Banking Section has long since come to be recognized as an important educational factor of the Association. The affairs of this Section have at all times been conscientiously and capably handled, and while the Association has been liberal in its aid, I feel that the results accomplished have been most gratifying and that the work of this Section is entitled to the sympathy and co-operation of our membership. This Section has adhered strictly to its constitutional purpose of "instructing bankers in banking and maintaining a recognized standard of education by means of official examinations and the issuance of certificates of graduation." Social features seem to have been generally subordinated to systematic study and the Institute has grown to mean something more than sonal association—however pleasant and profitable—in chapters and conventions. This policy insures quality rather than quantity of membership, in which there has, nevertheless, been a substantial increase, especially among country bank officers and employees. The Correspondence Chapter now has over eight hundred members and is doing superior educational This method of instruction is, in the judgment work. of practical educators, as efficient as the work of resident schools. The standard study course in which Institute activity is centered consists of a series of lesson pamphlets and collateral examinations cover-ing the theory and practice of banking, and such prin-ciples of law and economics as pertain to the banking business, and requires about two years of class or correspondence work. Institute graduates are becoming recognized as possessing not only superior knowledge of banking methods, but likewise the qualities of persistence and thoroughness that come only from systematic training.

# INSTITUTE CONDITIONS.

Extracts from the Report of Chairman William M. Rosendale of the Institute to the American Bankers Association at the Boston Convention.

THE Institute now comprises sixty-four chapters containing a membership of 13,587, of whom 713 are members of the Correspondence Chapter. Correspondence instruction has become recognized as co-ordinate with chapter class work in practical education. The success of both class and cor-respondence instruction, however, depends upon recognition of the Institute study course as the foundation of all Institute work. Such failures as have been experienced in the past have been largely, if not solely, due to attempts to construct fantastic educa-tional edifices upon the sands of aimlessness instead of upon the rock of systematic instruction. The Institute study course contains the fundamental knowledge of banking and banking law that every banker must possess to achieve or merit any sort of success banking business. Such knowledge may be obin the banking business. Such knowledge may be obtained from other sources than the Institute. Thousands of bankers have acquired it through experience. The Institute merely provides the easiest and most direct way. Nothing, however, can be successfully substituted for such knowledge, and the Institute men who want to substitute something else for the Institute study course are animated often if not always not so much by a desire to do other work as by a desire—perhaps subconscious—to do little or no work. Institute graduation is the only tangible result of Institute work—the only work that can be result of Institute work—the only work that can be analyzed and inventoried—and the number and character of Institute graduates are the crucial test of Institute achievements. Institute graduates now number 810, but Institute graduation should be regarded as the beginning and not the end of Institute In recognition of this fact the Institute a year ago established a system of post-graduate study which has proved efficient in maintaining the interest of Institute alumni and attracting bank officers disinclined to participate in more elementary work. While yet in its infancy, the fact is apparent that the post-graduate work of the Institute is replete with possibilities, not only for the further improve-ment of the Institute and its individual members, but also as an agency in crystallization of public sentiment of conservative character.

